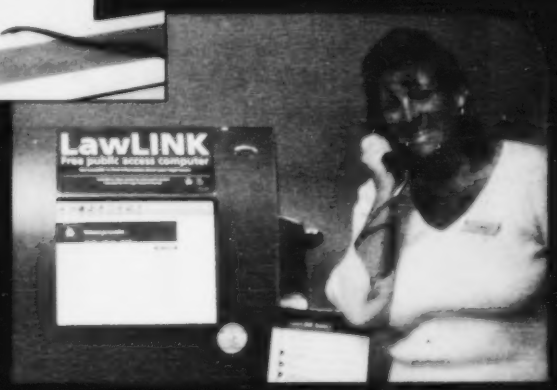
Legal Services Society

Annual Service Plan Report

2005/2006



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Accountability Statement

This report was prepared under the direction of the LSS Board of Directors in accordance with the Legal Services Society Act, the Budget Transparency and Accountability Act, and BC Reporting Principles. The information in this report represents a comprehensive picture of the society's actual performance in relation to our service plan for the year ended March 31, 2006. All significant decisions, events, and risks as of March 31, 2006, have been considered. The measures presented are consistent with the society's mission, goals, and objectives, and focus on aspects critical to the organization's performance.

The LSS board is responsible for ensuring performance is measured accurately and in a timely fashion. This report contains estimates and interpretive information that represent the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

The LSS board is accountable for the contents of this document, including how the results have been measured and reported.

Geoffrey Cowper
Chair, LSS Board of Directors
April 2006

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Acronyms

CFCSA	Child, Family and Community Service Act
EMC	Executive Management Committee
FDC	Family duty counsel
LIOW	Legal information outreach worker
MOU	Memorandum of understanding
PLEI	Public legal education and information
QC	Queen's Counsel

Message from the Chair

I am pleased to present the Legal Services Society's (LSS) *Annual Service Plan Report 2005/2006*.

By ensuring access to justice for people with low incomes, legal aid plays a critical role in upholding the rule of law — a central premise and promise of our constitution. This rule puts principle before utility; honesty before advantage. It is the rule of right over might. For this to be real, people must be able to ascertain the law and, more importantly, apply it to their own situation. Many of our clients cannot do this by themselves.

Since 2002, a major focus of our work has been to make the most of available funds to deliver services that help clients resolve their problems as early as possible in the legal process. To this end, each year the LSS Board of Directors identifies strategic priorities to guide the society's work. The priorities for 2005/2006 were in the areas of family services, tariff renewal, quality assurance, and client contributions.

With a $4.6 million increase in this year's core government funding, we were able to fill some critical gaps in family services in 2005/2006 by extending advice services in the courts, maintaining an expansion of representation services for the most severe cases to protect people's safety, and developing a limited referrals service to help some clients who were falling through the cracks.

Achieving real results for people in new and innovative ways is also a central thesis of our project to renew the tariffs and attract lawyers to the legal aid system. Initial steps taken this year included eliminating tariff holdbacks and implementing tiered compensation rates based on lawyers' experience.

We also expanded our quality assurance measures with initiatives such as mentoring projects to help new lawyers, and we began research into the feasibility of using client contributions to recover some costs and fund new services. Starting next year, quality assurance and client contributions research will be rolled into ongoing operations.

The society anticipated that its service, financial eligibility, and tariff enhancements would result in a balanced budget this year. While we succeeded in increasing the number of clients helped (see Appendix 6, page 60), we nonetheless closed 2005/2006 with an operating surplus (see Financial Report, page 28). Managing finances to avoid both deficits and surpluses for a demand-driven service in a constantly changing environment poses considerable challenges. To improve in this area, LSS has adjusted some budgets and budgeting processes for next year and established a new performance measure using actual to budget variances (see Goal 5, page 26).

In the meantime, we plan to eliminate the existing surplus by 2010 by using it to fund projects that support the strategic priorities set by the board for the coming three-year period: testing innovative services, furthering tariff renewal, and raising legal aid awareness. In addition, we will use the surplus to continue LawLINE, LawLINK, and legal information outreach worker services for another year while we continue to seek permanent funding for them. An ongoing challenge for the society will be to attract long-term funding for these and other successfully piloted services once the surplus is exhausted.

One way we hope to meet that challenge is by pursuing the society's newest strategic priority — raising awareness about legal aid. A public opinion poll conducted this year confirmed anecdotal reports that few BC residents know about our services. It also showed high support for those services once people were informed about them. This year the board started to raise the profile of legal aid by meeting with public and elected officials, and developed an ambitious plan to expand this work and build widespread support for sustaining services that help the vulnerable in society.

As outlined in the Report on Performance, next year LSS will explore further tariff renewal measures and a variety of service enhancements.

We are committed to collaborating with others to create effective programs that garner broad support both within and outside government. This work is well underway, and we have strengthened our ability to continue it by refining our goals, objectives, and performance measures (see Report on Performance, page 11).

At LSS, we believe access to justice is a necessity, not a luxury. We want our legal aid system to be a beacon of hope to the broader world; we want BC to be a place where the rule of law is real — and achieves justice — for everyone.

We are confident that when our grandchildren ask us what we did to make a difference in the world, we will be able to point to a fair and accessible justice system and say, "We helped build that."

Geoffrey Cowper
Chair, LSS Board of Directors
April 2006

Message from the Executive Director

The remarkable dedication of Legal Services Society (LSS) staff to providing legal aid is reflected in how they breathe life into the society's values of making a difference through leadership, respect, and working with others. This commitment is evident in the impressive 72% employee engagement score drawn from our 2005 staff survey. The unparalleled enthusiasm staff have for their work often generates creative new ideas about how we can do things better.

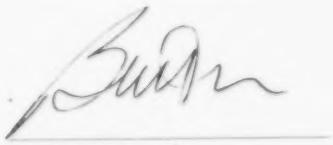
Since 2002, however, increasing expectations — externally as well as internally — that the society continue to develop innovations to better serve clients and address systemic problems such as inadequate tariffs, has strained our ability to manage work within existing capacity. One reason for this is that the service delivery system LSS established in 2002 left departments with expanded responsibilities yet fewer staff to fulfill them.

In June 2005 we addressed this issue by implementing a new internal structure recommended by last year's independent review of our system (see Goal 4, page 24). This new structure gives us the flexibility, strength, and efficiency necessary to meet our mandate with limited resources. We are now in a better position to manage workloads and set priorities that ensure new initiatives augment and sustain core services. Over the next year and more, we will continue to develop this system in a variety of ways. For instance, beginning next year, we will move forward with the creation of centres of expertise in criminal and civil law to enhance our ability to provide clients with high-calibre services.

The reorganization process included adjusting our goals, objectives, and performance measures to align them with our new structure. This, along with developing department and division plans that are directly tied to the strategic planning framework, clarifies the link between our day-to-day activities and what we're working to achieve. In addition, LSS responded to staff requests for more input in our planning process. This year, for example, we conducted the first of what will now be an annual survey to solicit employees' views on the challenges facing the society and on how best to address them.

As part of our commitment to excellence, LSS assesses its work through performance measure surveys, service evaluations, and process reviews to identify areas for improvement. Next year, in addition to implementing recommendations from this year's assessments, we will conduct further reviews and develop risk management and knowledge management strategies.

Like LSS staff, our partners throughout the justice system are tireless advocates on behalf of our clients. We are privileged to work with a wide range of people across the province, including our local agents, private lawyers, Crown counsel, community advocates, social workers, and others who share our resolve to make a real and positive difference in people's lives.



Mark Benton
Executive Director
April 2006

Legal
Aid

W E L C O M

Organization Overview

The Legal Services Society (LSS) provides legal aid in British Columbia. Created by the Legal Services Society Act (LSS Act or the act) in 1979, LSS is a non-profit organization governed by a nine-member board of directors.

While the provincial government is the society's primary funder, LSS remains independent of government and is mandated to serve the interests of people with low incomes. LSS reports its activities to the provincial government through the Attorney General.

Mandate

Under section 9 (1) of the LSS Act, the society's mandate is to:

a) help low-income individuals resolve their legal problems and facilitate access to justice for them,
b) establish and administer an effective and efficient system for providing legal aid to low-income people in British Columbia, and
c) provide advice to the Attorney General about legal aid.

Under section 9 (2) of the act, the principles that guide the society in pursuing its mandate are to:

a) identify and assess the legal needs of people with low incomes in British Columbia,
b) consider the perspectives of both justice system service providers and the general public,
c) co-ordinate legal aid with other aspects of the justice system and with community services, and
d) be flexible and innovative in the provision of legal aid.

Mission

To assist low-income individuals to resolve their legal problems by providing a spectrum of services that promotes their effective participation in the justice system.

Vision

An innovative, collaborative legal aid system that responds to the needs of low-income people throughout British Columbia.

Values statement

Making a difference through leadership, respect, and working with others.

Memorandum of Understanding

Under section 21 of the LSS Act, the society determines the range of services it will provide within the framework of a Memorandum of Understanding (MOU) negotiated with the Attorney General every three years (see Financial Report, page 28). This section also allows the Lieutenant-Governor in Council to make regulations concerning legal aid services if the society and the Attorney General are unable to negotiate an MOU.

Together, the act and the MOU form the basis for relations between the society and the provincial government. The MOU:

- sets out the roles and responsibilities of both parties,
- outlines anticipated provincial government funding for legal aid and the priorities for allocating that funding.

- acknowledges that LSS receives funding from sources other than the government and can apply that funding in any manner that is appropriate to fulfilling its mandate, and
- establishes the foundation for the society's budget and planning process.

Core services

LSS offers a continuum of services that includes legal representation, advice, information, and education. The society's innovative approaches to making this range of services available to people with low incomes in BC reflect its commitment to its values of leadership, respect, and working with others.

Services are delivered by staff at regional centres, via the LSS Call Centre and LawLINE, and by funded local agents across the province (see page 71 for a list of offices). Lawyers who accept LSS referrals provide most of the legal representation services. In addition, the society contracts lawyers and other organizations to deliver services such as duty counsel. See Appendix 1, page 48, for a more detailed description of the society's service delivery structure.

The society works to ensure its services are accessible to all communities. For example, LSS:

- provides call centre services for people who are unable to apply in person, particularly those who live in rural communities where there is no legal aid office or who live with disabilities or face other circumstances that prevent them from travelling to an office;
- provides LSS Call Centre or LawLINE clients who speak limited or no English with immediate access to a telephone interpreter via three-way conference calls;
- pays for qualified interpreters and translators for clients who need them to work with their legal aid lawyers;
- produces public legal education and information materials in a variety of languages; and
- requires staff to adhere to a code of ethics that includes non-discrimination and non-harassment.

LSS provides legal representation for financially eligible people with serious family problems (e.g., for child apprehension matters or for specific issues where domestic violence is involved) and serious criminal problems. It is also available for people who face a refugee or deportation hearing, Mental Health Review Panel or BC Review Board hearing, or prison issue for which the Charter of Rights and Freedoms establishes a right to counsel.

Legal advice is available through the Brydges line, duty counsel, family advice lawyers, and LawLINE. Many LSS advice services are subject to a financial eligibility test.

People with low incomes who do not qualify for legal representation or advice services can still get legal information. The society provides a range of information services through LawLINE, publications, several websites, and public access computers.

See Appendix 2, page 49, and Appendix 3, page 54, for a more detailed description of these services; Appendix 5, page 58, for financial eligibility criteria; and Appendix 6, page 60, for 2005/2006 operating data.

Client confidentiality

All information an applicant or client gives to LSS is subject to solicitor-client privilege. LSS does not reveal this information to a third party unless that disclosure is authorized by the applicant or client, or required by law or an exception to solicitor-client confidentiality. Solicitor-client privilege is protected under section 23 of the LSS Act and section 14 of the Freedom of Information and Protection of Privacy Act.

Within LSS and its contracted agencies, the only people entitled to access this information are those who need it for operating purposes. LSS has strict security measures in place to prevent unauthorized access to confidential information.

Governance

LSS is governed by a nine-member board of directors. Of the nine directors:

- five are appointed by the Lieutenant-Governor in Council on the recommendation of the Attorney General, and
- four are appointed by the Law Society of BC after consultation with the executive of the BC Branch of the Canadian Bar Association.

The LSS Act outlines the need for the board as a whole to have a range of knowledge, skills, and experience in areas including:

- business management and the financial affairs of public and private sector organizations;
- law and the operation of courts, tribunals, and alternative dispute resolution processes;
- legal aid provision;
- BC's cultural and geographic diversity; and
- the social and economic circumstances associated with the special needs of low-income people.

As a result of a governance review this year, LSS has expanded on these criteria and actively engages the board in assessing its strengths and weaknesses. This involves using a competency matrix, which compares the skills and experience of each board member against the skills and experience the board has identified as needed. This process will help the appointing bodies assess the merits of prospective board members relative to the board's needs.

At March 31, 2006, the board members were:

- Geoffrey Cowper, QC (Vancouver, chair, from June 4, 2005)
- D. Brent Adair, QC (Chilliwack)
- Janice Comeau (Vancouver)
- Leah George-Wilson (North Vancouver)
- Lawrence (Larry) Edward Goble (Victoria, vice chair)
- Bruce Hardy (Surrey, acting chair until June 3, 2005)
- John M. Hogg, QC (Kamloops)
- D. Mayland McKimm, QC (Victoria)
- Greg Stacey (Nelson)

For more information about the LSS board and board governance, see the LSS website at www.lss.bc.ca/About_LSS/Who_we_are/board.htm.

Board governance

The board's governance framework, which is rooted in the LSS Act, consists of policies and by-laws reflecting established best practices for governance. Under its by-laws, the board's role is "to ensure the effective governance of the society through setting direction, monitoring performance, and hiring and supporting the executive director." The LSS board is committed to continuous governance improvement and has adopted an annual governance review process.

At their first meeting in each fiscal year, the directors elect a board chair and an executive committee. Established under section 5 of the LSS Act, the executive committee is headed by the board chair and consists of at least two other directors. This committee holds all the powers of the board between meetings except the power to fill vacancies on or alter the

membership of board committees and powers excluded by resolution of the board. At March 31, 2006, executive committee members were:

- Geoffrey Cowper (chair)
- D. Brent Adair, QC
- Larry Goble
- Bruce Hardy

The board also establishes standing and ad hoc committees to help it carry out its responsibilities. The chair, in consultation with the society's executive director, appoints the members of these committees unless otherwise directed by the board.

The finance committee makes recommendations on matters pertaining to the society's finances, funding, and fiscal allocations. At March 31, 2006, members of this committee were:

- Janice Comeau (chair)
- John Hogg
- Bruce Hardy

Under the by-laws, liaison directors are appointed to promote the ongoing exchange of information and co-ordination of efforts with external organizations and individuals on issues of common interest and concern. To this end, liaison directors meet with key stakeholders prior to and after the board's annual planning retreat.

Senior management

The board of directors appoints an executive director to supervise, manage, and administer the business of the society. The executive director chairs the society's Executive Management Committee (EMC), which provides strategic direction to LSS and makes final decisions on all strategic issues and any operational issues brought forward by the advisory committees (see below). At March 31, 2006, EMC members were:

- Mark Benton, Executive Director
- Harold V.J. Clark, Director, Strategic Planning, Policy, and Human Resources
- Heidi Mason, Director, Public Legal Information and Applications
- Catherine McNeil, Director, Finance and Corporate Services
- Ted Tanaka, Director, Legal Advice and Representation
- Gulnar Nanjijuma, Executive Assistant, Executive Office (recorder)

As part of the internal reorganization undertaken this year, LSS established a new committee structure. There are now three advisory committees and a managers' forum.

The Operations and Infrastructure Committee provides advice to EMC on interdivisional issues, management initiatives, and operational support issues. At March 31, 2006, committee members were:

- Heidi Mason, Director, Public Legal Information and Applications (chair)
- Joel Chamaschuk, Manager, Information Technology
- Thomas Fink, Manager, Strategic Planning
- Noreen Finnerty, Manager, Human Resources and Organizational Development
- Janice Staryk, Manager, Case Management System Lead and Operational Support
- Thomas Quine, Manager, Electronic Access and Operational Support
- Eugene Wandell, Manager, Finance and Administration

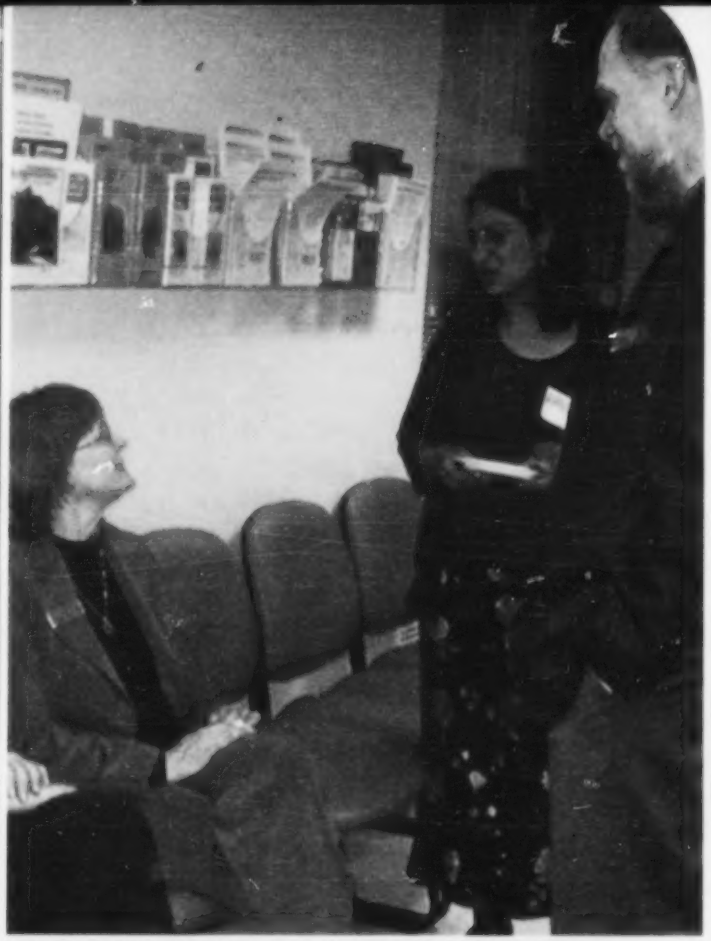
The Policy and Planning Committee provides advice and recommendations to EMC on interdivisional policy and planning issues, strategic and service planning, capacity management, and coverage, eligibility, and tariff policies. At March 31, 2006, committee members were:

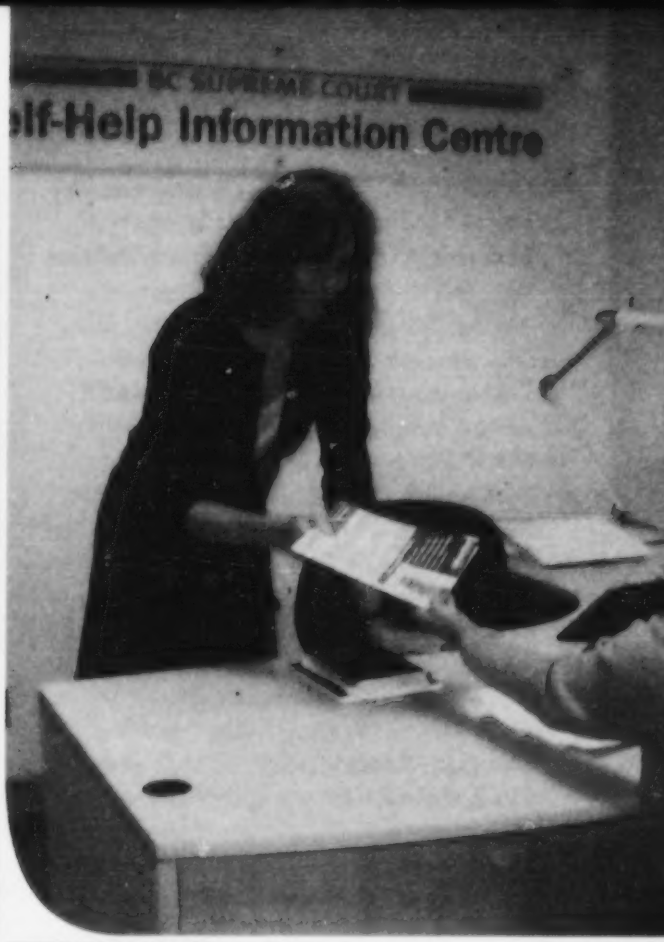
- Harold V.J. Clark, Director, Strategic Planning, Policy, and Human Resources (chair)
- Corinne de Bruin, Manager, Policy
- Thomas Fink, Manager, Strategic Planning
- Catherine McNeil, Director, Finance and Corporate Services
- Sandy Shreve, Communications Officer

- Janice Staryk, Manager, Case Management System Lead and Operational Support
- Thomas Quine, Manager, Electronic Access and Operational Support

The Attorney General Advisory Committee develops advice for the Attorney General on legal aid and makes recommendations to EMC for approval. At March 31, 2006, committee members were:

- Ted Tanaka, Director, Legal Advice and Representation (chair)
- Harold V.J. Clark, Director, Strategic Planning, Policy, and Human Resources
- James Deitch, Manager, Criminal Law and Large Case Management
- David Griffiths, Manager, Civil Law
- Heidi Mason, Director, Public Legal Information and Applications
- Carol McEown, Manager, Public Information and Community Liaison
- Sandy Shreve, Communications Officer
- John Simpson, Manager, Applications and Eligibility

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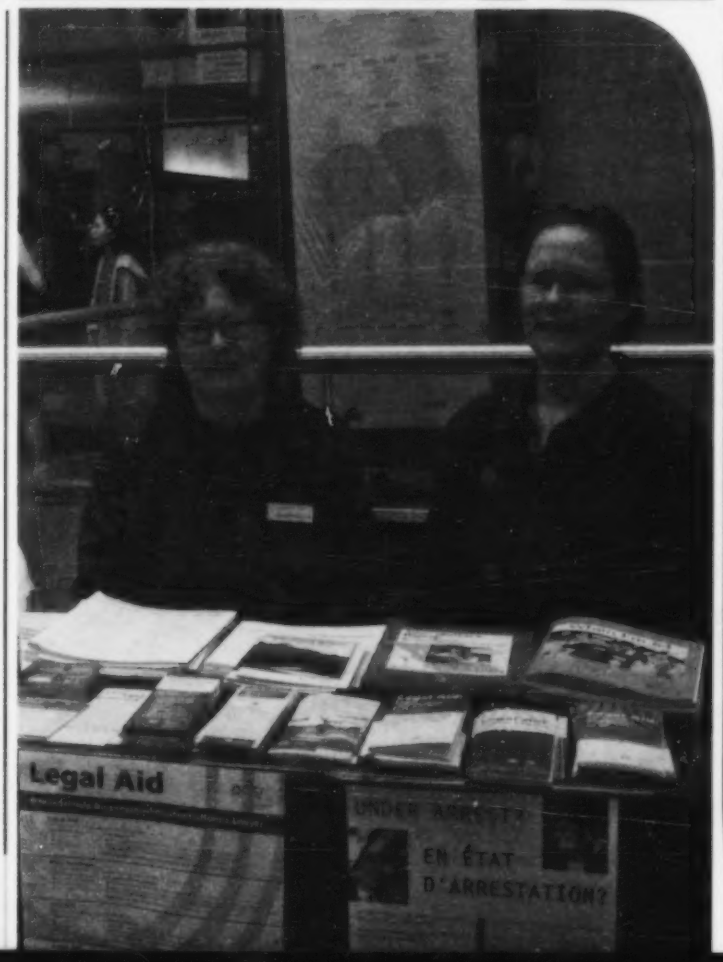
Legal Aid
UNDER ARREST?
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Report on Performance

This year LSS significantly changed its internal structure to strengthen its focus on client needs and enhance its capacity to sustain current services. Following the recommendations of an organizational review conducted in early 2005, the society is now structured into four divisions reporting to the executive director.

As part of the restructuring process, LSS implemented a new strategic planning framework designed to ensure that LSS services and staff work effectively and efficiently to achieve the society's vision, mission, and values. The society adjusted its goals, objectives, and performance measures accordingly and assigned each division direct accountability for a new service plan goal (see Figure 1).

Major adjustments

LSS continues to work toward its vision of an innovative, collaborative legal aid system that responds to the legal needs of people with low incomes in BC. The new planning framework better operationalizes this vision by establishing goals that are aligned with the mandate/function of each LSS division.

Three of the seven performance measures in the 2005/2006 – 2007/2008 plan continue into the new plan. Two new performance measures were added — an overall public approval rating for LSS services (see Goal 1, page 17) and an actual to budget variance measure (see Goal 5, page 26) — and as LSS

Figure 1 LSS divisions and 2006/2007 – 2008/2009 goals

Most of the objectives, strategies, and measures set for 2005/2006 were incorporated within this new framework in the 2006/2007 – 2008/2009 service plan. The new framework has also been applied to this report on performance.

was able to set baselines for those measures this year, they are included in this report.

Three performance measures were replaced because they are no longer strategically aligned. As well, LSS decided to use an employee engagement score rather than the employee satisfaction rating to measure the society's progress on Goal 4. Employee engagement is a composite measure that includes both employee satisfaction and commitment levels, and better summarizes the complexity of an employee's workplace experience. Current research suggests that this multi-dimensional model will provide more meaningful data on

the success of programs designed to strengthen organizational performance.[1] LSS also replaced the overall client satisfaction score with two more specific measures of client satisfaction (client satisfaction with the accessibility of LSS services and client satisfaction with LSS advice and representation services). This will allow LSS to more accurately assess its performance on Goals 2 and 3.

The current goals, objectives, strategies, and measures from the 2006/2007 – 2008/2009 service plan are shown in figure 2 on page 13. The former goal, objectives, strategies, and measures from the 2005/2006 – 2007/2008 service plan are shown in figure 5, Appendix 7.

Value of performance measurement

The surveys that LSS uses to assess its performance allow key stakeholders to express their views on whether the society offers the services that are most needed in BC communities and how well it delivers these services. Listening and responding to stakeholder concerns helps LSS identify areas for improvement and increases its accountability to those who are directly affected by its work. Ultimately, the surveys help LSS collaborate with others to enhance access to justice for people with low incomes.

The LSS board and senior management will also be able to use other data from the surveys, as well as from service evaluations and process reviews, to assess the society's operational performance and to establish strategies for achieving the targets set for each measure.

LSS also gathers data on internal processes to assess its performance. Measures such as the actual to budget variance (see Goal 5, page 26) enable LSS to track its competence in business areas recognized as essential to meeting its goals and objectives.

By setting targets and measuring its results, LSS will increase public and legislator confidence that the society's work is helping people with low incomes to resolve their legal problems. This will in turn enhance the overall efficiency and effectiveness of BC's justice system and contribute to sustaining key social values and principles, including fairness, equality under the law, and compassion for those in need.

Benchmarks

Legal aid plans across Canada are structured differently and provide varying levels of service. These organizations have not yet developed a common method of gathering and analyzing information, or a standard system of performance measurement. General operational data on legal aid resources and caseloads in each province is collected, analyzed, and published by Statistics Canada annually,[2] but this information is not designed for guiding policy and program development or assessing performance. Since 2004, LSS, Legal Aid Ontario (LAO), and other legal aid organizations have been working toward using the same tool to measure client satisfaction so that the data can be meaningfully compared. LAO completed its client satisfaction survey in 2005, and LSS may be able to use these results as a benchmark for its own client satisfaction survey results, when available (see page 19). This may provide a model for legal aid plans to gather comparable data in other areas in the future.

[1] BC Ministry of Labour and Citizens' Services, *BC Public Service Employee Engagement Initiative: Summary of Round 3 Driver Results*, March 2006, page 2.

[2] The most recent Statistics Canada report is *Legal Aid in Canada: Resource and Caseload Statistics 2004/2005*, catalogue number 85F0015XIE.

Figure 2 Goals, objectives, strategies, and performance measures for 2006/2007 – 2008/2009

	Goals	Objectives	Strategies	Measures
1	There is broad-based support for legal aid	▫ Ensure public perceptions of legal aid are positive ▫ Create a favourable environment for funding LSS	▫ Partner with stakeholders to promote public awareness of and support for LSS and its services ▫ Use media, publications, and LSS websites to promote public discourse about legal aid as a public policy issue ▫ Educate and inform elected and public officials and community leaders about legal aid, access to justice, and needed reform ▫ Maintain consistent board contact with key stakeholders ▫ Provide advice to the AG on the legal aid system	▫ Overall public approval rating for LSS services: Baseline of 89% set in 2005/2006
2	People with low incomes can access appropriate and effective legal information and application services	▫ Strengthen the capacity of community service partners to provide information and application services ▫ Increase the accessibility of legal information services for people with low incomes ▫ Increase the accessibility and cost-effectiveness of the LSS application process	▫ Review the current service delivery model for public legal education and information to assess efficiency and effectiveness ▫ Integrate legal information and education services with other service partners ▫ Increase the availability of LSS application and information services ▫ Develop a strategy to deliver Aboriginal/First Nations legal aid services	▫ Client satisfaction with the accessibility of LSS services: Survey under development
3	Low-income clients receive quality legal advice and representation services that are proportionate to their needs	▫ Identify gaps in service ▫ Increase lawyers' involvement and engagement in the delivery of legal aid ▫ Increase the accessibility of advice services for people with low incomes	▫ Define and develop centres of expertise in criminal and civil law ▫ Develop innovative projects to address gaps in advice and representation services ▫ Use technology to involve lawyers across the province in providing advice services ▫ Review and enhance the quality assurance program ▫ Implement tariff renewal recommendations, including results-based management	▫ Client satisfaction with LSS advice and representation services: Survey under development ▫ Tariff lawyer satisfaction with support provided by LSS: Baseline of 68% set in 2003/2004

cont'd on next page

Figure 2 Goals, objectives, strategies, and performance measures for 2006/2007 – 2008/2009

	Goals	Objectives	Strategies	Measures
4	Strategic and sustainable management of staff capacity and LSS services to meet the legal needs of people with low incomes	▫ Establish a strategically aligned policy and planning framework ▫ Improve resource capacity management	▫ Implement a capacity management and organizational development strategy ▫ Develop and implement a corporate reporting framework ▫ Develop and implement a knowledge management strategy ▫ Develop and implement a risk management strategy	▫ Overall LSS employee engagement score: Baseline of 72% set in 2004/2005
5	Effective management of LSS funds	▫ Strengthen policy compliance ▫ Use technology to streamline processes ▫ Improve financial forecasting	▫ Implement electronic funds transfer for lawyers ▫ Develop and implement an information technology strategy to address long-range IT requirements ▫ Implement an audit strategy and internal review plan ▫ Review budget process to improve accuracy of financial results	▫ Actual to budget variance: 5.4% in 2005/2006

Table 1 Performance at a glance

Measure	Past results	Result	Future targets		
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Overall public approval rating for LSS services	n/a	Baseline set: 89% overall public approval	90%	90%	90%
Client satisfaction with the accessibility of LSS services	n/a	New for 2007/2008	Develop survey	Set baseline	Not measured
Client satisfaction with LSS advice and representation services	New for 2007/2008	New for 2007/2008	Develop survey	Set baseline	Not measured
Tariff lawyer satisfaction with the support provided by LSS	Not measured (Baseline set in 2003/2004: 68% of tariff lawyers satisfied)	Not measured	72%	Not measured	Not measured
Overall LSS employee engagement score	Baseline set: 72% of employees engaged	Not measured	Not measured	77%	Not measured
Actual to budget variance	n/a	5.4% variance	2% variance	1.5% variance	1.5% variance

Key risks affecting performance

During 2005/2006, LSS faced significant risks in four strategic areas: public awareness, tariff renewal, staff capacity, and fiscal circumstances. Table 2, page 16, provides a summary of these risks and the principal steps taken during the year to mitigate them.

Table 2 Key risks, 2005/2006

Issue	Risks	Key responses
Public awareness and support		
▪ In a poll of BC residents conducted in late 2005, 79% of respondents said they knew little or nothing about legal aid, but once the services were described, 89% said they support them	▪ A lack of awareness of legal aid and justice issues on the part of government officials, as well as the general public, can reduce the society's access to public funding and its ability to promote justice system reform ▪ Potential clients who are unaware of legal aid are unable to access needed services	▪ Launched a multi-year communications initiative to raise awareness of/support for legal aid among elected and public officials and other community leaders (See Goal 1, page 17) ▪ Enhanced training and resources to inform and educate community partners about LSS services (See Goal 2, page 19)
Tariff renewal		
▪ LSS tariff rates and structures limit the society's ability to attract lawyers to provide legal aid services	▪ A tariff system that poses an obstacle to lawyers' willingness and ability to accept legal aid referrals threatens the society's ability to provide the services that are necessary to ensure access to justice for clients	▪ Introduced significant improvements to the legal aid tariff to better recognize the work lawyers do and to move toward a more results-based approach to tariff management (See Goal 3, page 21)
Staff capacity		
▪ Delivering a range of information, advice, and representation services with limited staff and resources is a challenge faced by the society since 2002	▪ Unmanageable workloads for staff can weaken the society's ability to retain dedicated and skilled employees whose experience benefits clients ▪ Insufficient staff numbers can reduce the society's ability to meet the legal needs of people with low incomes	▪ Restructured to enhance the society's capacity to sustain current services (See Goal 4, page 24)
Fiscal circumstances		
▪ Key LSS client services are currently funded as time-limited projects ▪ Sound fiscal planning is necessary to support requests for additional funding	▪ Without permanent funding, successful projects cannot be developed into permanent programs. Reliance on year-to-year funding to deliver essential client services impedes strategic planning and generates uncertainty among clients, intermediaries, and staff that can reduce program effectiveness. ▪ The society may not be successful in attracting new funding if it does not demonstrate exemplary fiscal planning and program execution	▪ Sought core funding for proven initiatives ▪ Decided to use unrestricted accumulated surplus funds to support pilot projects that fill service gaps in family and poverty law ▪ Began reviewing budget processes to lower actual to budget variance (See Goal 5, page 26, and Financial Report, page 28)

Goal 1

There is broad-based support for legal aid.

Performance measures	2005/2006 Result	2006/2007 Target	2007/2008 Target	2008/2009 Target
Overall public approval rating for LSS services (Annual survey)	Baseline set: 89%	90%	90%	90%

This new goal for 2005/2006 emerges from the society's strategic priority to raise public awareness of and support for LSS and its services. LSS recognizes that its ability to provide quality legal aid services depends upon how much the general public, opinion makers, and legislators, as well as our clients and their advocates, value the contribution of legal aid to a fair, equitable, and efficient justice system.

This goal integrates the primary strategies and values inherent in two LSS objectives from the 2005/2006 service plan (Objective 4: To increase awareness of LSS services among intermediaries and clients so that more low-income individuals with legal needs are referred to appropriate LSS services, and Objective 5: To apply LSS influence to ensure the legal needs of low-income individuals are considered in justice reform).

The primary indicator of the society's performance on this goal is an overall approval rating, which measures the degree of public support for legal aid services. LSS uses an annual public opinion poll to gather data for this indicator.[3]

Results

In its first public opinion poll, conducted in December 2005, LSS received an 89% public approval rating for its services.[4] Of these respondents, 56% indicated strong support and 33% cited moderate support.

Several other legal aid plans in Canada have indicated they intend to conduct similar polls. Once those have been completed, LSS may have a benchmark against which it can compare these results.[5]

[3] The poll was conducted by telephone from December 7 – 12, 2005, as part of the BC Reid Express provincial omnibus survey for that month. Interviewers asked 763 people across BC 13 questions about legal aid. The margin of error is ±3.5%, 19 times out of 20. The report from this poll is available at www.lss.bc.ca/About_LSS/Reports.htm.

[4] Although 79% of respondents said they know little or nothing about legal aid, once the services were described, 89% said they support them. Interviewers told respondents that legal aid services provide "low-income people with legal information, advice, and/or representation in court. This can include providing them with a self-help kit, giving them a few hours of legal advice, or paying a lawyer to represent them in court for serious family, criminal, or immigration/refugee problems."

[5] The only other data available is from a March 3 – 13, 1987, research project conducted by Goldfarb Consultants for the Law Society of BC, which found a 95% approval rating for legal aid services. The researchers asked 200 people (100 in Vancouver, 50 in Kamloops, and 50 in Prince George) 33 detailed questions about legal aid in BC.

Performance highlights

Legal aid awareness campaign: The public approval rating for legal aid reflects all aspects of the society's work. This year, the society developed a three-year plan to broaden its ongoing public awareness campaign to target elected and public officials and other community leaders.[5]

One element of that plan was to develop and conduct a public opinion poll to test anecdotal evidence of low public awareness about legal aid and gauge the level of public support for LSS services. Although the poll results confirmed that awareness levels remain low, they also clearly showed that support for the concept of legal aid is high. One trend that emerged was that respondents who already knew about legal aid services were more likely to support them and to say they need more funding — reinforcing for the society the importance of its awareness campaign.

In 2005/2006, implementation of the broader campaign included providing all members of the BC legislative assembly (MLAs) and their constituency assistants, as well as BC members of parliament (MPs), chambers of commerce, and bar presidents with information about legal aid services. The executive director and board members met with several MLAs and MPs to discuss how the society can help them respond to their low-income constituents' legal needs.

Other LSS work related to the campaign involved translating the booklet *Legal Aid Can Help* into eight languages, posting fact sheets about LSS on the LSS website, and developing a statement for the website that explains the role of legal aid in ensuring access to justice and its importance to a fair and democratic society.

Justice reform: The society continued to advocate for justice reform through regular meetings with the Attorney General and senior ministry officials, and through its representation on three committees established by the Justice Review Task Force: the Civil Justice Reform Working Group, which will present its findings in June 2006; the Mega Trials Working Group; and the Family Justice Reform Working Group, which released its report in June 2005 and began consultations on the recommendations. (See Glossary, page 68, for descriptions of these working groups.) LSS also continued to take part in the Law Society of BC's task force on unbundling legal services, which intends to publish its final report in fall 2006.

Future outlook

Almost three-quarters (73%) of those polled about legal aid in December 2005 agreed with the statement that "governments should give funding for legal aid the same priority as they give to funding for other social services such as health care, education, welfare, and child protection." LSS will build on this support by working with both traditional and non-traditional stakeholders to promote public discourse about legal aid as an important public policy issue.

Through this work and in pursuing strategies designed to advance our other goals, LSS plans to raise the overall public approval rating for legal aid to 90% and maintain that rating over the next three years. In the process, we hope to improve the ratio of strong over moderate support.

[5] In 2004, LSS launched a public awareness campaign centred on the publication of *Legal Aid: We Can Give You Legal Help* (now called *Legal Aid Can Help*), a booklet developed to promote a better understanding of legal aid, how to access services, and how various types of service can help people with low incomes resolve their legal problems. This campaign intensified the society's ongoing outreach activities, which focus on clients and traditional stakeholders such as community and justice system service providers, including lawyers who take legal aid cases. The campaign also marked the society's 25th anniversary.

Goal 2

People with low incomes can access appropriate and effective legal information and application services.

Performance measures	2005/2006 Result	2006/2007 Target	2007/2008 Target	2008/2009 Target
Client satisfaction with the accessibility of LSS services (Survey every three years)	New measure	Develop survey	Set baseline	Not measured

This goal distills the key strategies from Objective 3 in the 2005/2006 service plan on improving the responsiveness of LSS services to the legal needs of people with low incomes, and recognizes that access to legal aid services is a critical component of access to justice. Ensuring that the society not only provides the appropriate services but delivers them effectively to clients is, therefore, a necessary step toward meeting our mandate and mission.

LSS will assess its performance in this area by measuring client satisfaction with the accessibility of its services. Because resources were devoted to restructuring the society in 2005/2006, LSS did not have the capacity to conduct the client satisfaction survey this year as planned. Once the survey is developed and completed, LSS will set a baseline and performance targets for this measure. Improving on our baseline will show that LSS is making appropriate services available to clients who need them.

Results

An evaluation of the innovative LawLINK project provides feedback on the success of this approach to delivering legal information services. The evaluation report, released in June 2005, indicates that most users of the society's public access computers required personal assistance to find the legal information they needed.[7] Based on this evaluation, LSS will continue to provide public access computers in locations where in-person assistance is available, primarily courthouses and the society's regional centres.

Performance highlights

Financial eligibility: To increase client access to legal aid, LSS relaxed the financial eligibility levels for its representation and advice services in October 2005 (see Appendix 5, page 58). Net household income limits for legal representation are now based on the Market Basket Measure, a generally accepted measure of poverty.[8] LSS raised the financial eligibility limits for legal advice services to more closely align these guidelines with the limits for legal representation. Although the relaxed limits generated a smaller than anticipated increase in the number of legal aid referrals for the first half-year, preliminary data suggests that the new limits enhanced access for clients in households of three people or more and who face family issues.

Accessible phone services: This year, LSS introduced phone scripts in eight languages to the society's call centre to ensure LSS phone services are accessible to people who speak languages other than English and who otherwise might not call for help.

Building capacity among community service partners: Collaborating with service partners, who are also operating with limited resources,

[7] The final report of the evaluation, designed to determine how clients interact with computers and how effective the technology is in helping them resolve their legal problems, is available online at www.lss.bc.ca/About_LSS/Reports.htm#ER

[8] Developed by Human Resources and Social Development Canada in consultation with the provinces and territories, the Market Basket Measure is an estimate of how much it costs to buy a specific set of goods in small Canadian communities.

strengthens our collective capacity to meet client needs and maximizes the accessibility of legal aid services. In 2005/2006, LSS took steps to establish more formal partnerships with community organizations to better integrate public legal education and information (PLEI) services, train advocates, expand intermediaries' knowledge of LSS services and how to use them, and develop a more systematic way of distributing LSS PLEI materials.

These efforts included initiating joint training sessions with other community organizations; developing and delivering skills development workshops for advocates in communities across BC; launching *Elan* (Electronic Legal Aid Newsletter) for community workers; piloting an outreach worker project in Penticton to test an alternative approach to augmenting community-based information services; continuing participation in the Supreme Court Self-Help Information Centre (SCSHIC), a collaborative one-year pilot project to help self-represented litigants; and ongoing work with the BC PLEI Working Group, which produced an expanded edition of the *Public Legal Education and Information Resource Catalogue* and completed a legal information taxonomy project (see Glossary, page 68).

Enhancing legal information services: This year LSS began a review of its core PLEI materials and how it delivers them. This assessment should help LSS create and distribute PLEI materials in ways that better meet the needs of its client groups.

Other improvements in 2005/2006 included initiating the process of rewriting and redesigning the LSS and Family Law websites to improve usability and accessibility, and producing a revised edition of the *Consumer Law and Credit/Debt Manual*, first published in 1996. In response to the first phase of the Aboriginal needs assessment completed in May 2005, LSS also started work on revising its core Aboriginal PLEI materials and organizing a provincial conference on the legal issues affecting Aboriginal people to be held in June 2006.

Alternative application services: This year LSS completed a business case assessing the feasibility of enabling clients to apply for legal aid electronically through a range of trusted intermediaries such as lawyers and Native Courtworkers. Based on this study, LSS concluded that implementing a full-scale electronic applications model may not be a cost-effective way to increase the accessibility of intake services at this time. The society is now investigating the feasibility of a more limited model to help specific client groups.

Future outlook

To make its application and information services more accessible, LSS is exploring expanding intake and self-help services in courthouses, beginning with the Vancouver Family Court in 2006/2007.

Next year, LSS will replace its current phone system with a new system able to respond more efficiently to the growing number of call centre and LawLINE callers. This should help LSS sustain client access to these application and information services, particularly for clients outside the Lower Mainland.

The society will continue to pursue formal agreements with community partners in 2006/2007, and expects to sign a Memorandum of Understanding early in the fiscal year with the BC Library Services Branch and the BC Courthouse Library Society to work together to provide more effective PLEI services to BC residents.

A business process review of the Public Information and Community Liaison department, to be completed in April 2006, will provide recommendations on improving the effectiveness of the society's publishing and outreach teams.

Goal 3

Low-income clients receive quality legal advice and representation services that are proportionate to their needs.

Performance measures	2005/2006 Result	2006/2007 Target	2007/2008 Target	2008/2009 Target
Client satisfaction with LSS advice and representation services (Survey every three years)	n/a	Develop survey	Set baseline	Not measured
Tariff lawyer satisfaction with support provided by LSS Baseline of 68% set in 2003/2004 (Survey every three years)	Not measured	72%	Not measured	Not measured

Goal 3 reflects the society's strategic priority to develop innovative programs to fill service gaps so that LSS can meet client needs within its current mandate and resources. It also underscores the need for the society to establish a tariff system that encourages lawyers to take legal aid cases, supports lawyers in providing quality services, and promotes better results for legal aid clients, LSS, and the justice system. Strategies and initiatives supporting two objectives from the 2005/2006 – 2007/2008 service plan (Objective 1: Services that respond to the legal needs of low-income individuals are available in BC and Objective 3: Improve the responsiveness of LSS services to the legal needs of low-income individuals) have been rearticulated to advance this goal.

To measure its performance on this goal, LSS will assess both client satisfaction with the society's advice and representation services and tariff lawyer satisfaction with the support provided by LSS. The society will develop the client satisfaction survey in 2006/2007 and set a baseline and targets once initial data has been gathered. Increasing client satisfaction with advice and representation services will indicate that clients are getting the help they need to resolve their legal problems.

Lawyer attrition remains an issue for LSS: 956 lawyers accepted legal aid referrals this year, compared with 997 in 2004/2005 and 1,027 in 2003/2004. Meeting or exceeding our performance target will show that LSS is reducing the risk of having too few lawyers to serve clients and enhancing its ability to provide quality legal services.

Results

LSS did not measure tariff lawyer satisfaction this year. In 2003/2004, the society set a baseline for lawyer satisfaction at 68%. According to its service plan, the society will repeat its tariff lawyer satisfaction survey in 2006/2007 to assess whether the tariff renewal measures (see page 22) have increased lawyer satisfaction. Informal feedback from lawyers on changes to the tariff to date suggests that LSS has begun to address lawyers' concerns.

Performance highlights

Family and child protection law services: Augmenting the services LSS provides to people with low incomes facing cases in Supreme Court was one focus of the society's work this year. In April 2005, LSS expanded the highly successful Provincial Court family duty counsel (FDC) program into BC's busiest Supreme Courts, and by the end of this fiscal year, had launched FDC services in 13 Supreme Court locations (see Appendix 2, page 49).

In May 2005, LSS established limited scope family referrals for clients whose cases should be in the Supreme Court but who aren't eligible for regular legal representation services and need more help than LSS advice services can provide (see Appendix 2, page 49).

LSS continued its collaborative initiative with the Ministry of Children and Family Development and the Ministry of Attorney General to develop and pilot local alternative dispute resolution projects in child protection proceedings. By the end of March 2006, projects had been implemented in three regions, one region had a proposal pending, and another was being encouraged to submit a proposal (see Glossary, page 68).

LawLINE advice services: The LawLINE advice project, which celebrated its second anniversary in September 2005, has established strong relationships with the society's community partners, increasing LawLINE's visibility and accessibility to clients. For example, the Canadian Bar Association's Lawyer Referral Service regularly refers callers who cannot be matched with a private lawyer to LawLINE, making it the most common outside referral after legal aid lawyers. LawLINE continues to evolve to meet client needs; this year, LawLINE staff provided more callers with advice services than with information services (see Appendix 6, page 60).

Tariff renewal: In response to a review of the LSS tariff system released in December 2005,* LSS introduced significant structural changes to the legal aid tariff to enhance client services, better recognize the work lawyers do, and encourage a more results-based approach to tariff management. Tariff renewal changes include:

- Tiered rates based on lawyer experience (February 15, 2006) (see Appendix 4, page 56)
- Eliminating holdbacks on lawyers' accounts
- Compensating lawyers for work previously not covered in the tariffs
- Increasing the number of general preparation hours for lawyers to provide eligible family clients with emergency services

These measures complement the society's Law Foundation-funded quality assurance initiatives to provide support to lawyers. This year LSS introduced two pilot projects to promote mentoring within the tariff bar and launched an online expert database to help registered lawyers easily find qualified experts to testify in their cases.

Business process reviews: In 2005/2006, LSS began implementing recommendations from business process reviews conducted last year in the Appeals and Tariff Services departments, including process improvements and enhancing electronic services for lawyers. The society also completed a duty counsel process review this year. Recommendations from this review address building a transparent process for determining membership on the duty counsel roster.

* The tariff review report, *Managing for Results*, is available online at www.lss.bc.ca/About_LSS/Reports.htm

Future outlook

In January 2006, LSS initiated an independent evaluation of the full range of its family law services. The final results of the evaluation, due in September 2006, will help LSS plan the short- and long-term allocation of family law resources and may identify opportunities for further collaboration with justice system partners. LSS is also examining research on gaps in civil and Aboriginal legal services to determine if LSS can design new collaborative programs to fill recognized needs in these areas.

Next year, LSS will replace its current phone system with a new system able to respond efficiently to the growing number of callers to LawLINE and the call centre. This should enable LawLINE to continue to develop as an innovative service.

LSS will also add a designated Community Advocate Legal Support Line to the LawLINE service in 2005/2006 using funding from the Law Foundation and the Ministry of Attorney General. This two-year pilot project will dedicate a LawLINE lawyer to provide timely summary advice and coaching to community workers to support their work on behalf of clients.

In 2006/2007, LSS will develop a tariff renewal work plan outlining the society's ongoing measures to increase lawyers' involvement and engagement in the delivery of legal aid services and to support a more results-based approach to tariff management. These may include further structural changes to attract more lawyers to legal aid cases and options for establishing a principled basis for setting legal aid compensation rates.[10]

The Legal Advice and Representation Division will establish LSS centres of expertise in criminal and civil law over the next three years. Centres of expertise will bring together relevant legal knowledge to inform decisions in policy development and case management. The centres' primary goal will be to ensure LSS delivers quality legal services.

Starting April 1, 2006, LSS will fund a two-year telephone advice counsel pilot project to give accused people in custody at police lock-ups awaiting bail hearings access to legal advice over the phone in the evenings and on weekends and holidays. This project should reduce court lists on Mondays and after holidays, make court hearings more efficient, and help make sure people do not have to stay in custody unnecessarily.

[10] Adopting a principled tariff rate involves considering a number of proposals, including selecting and adopting a percentage of the average compensation lawyers receive from private clients of modest means as a target for legal aid rates.

Goal 4

Strategic and sustainable management of staff capacity and LSS services to meet the legal needs of people with low incomes.

Performance measures	2005/2006 Result	2006/2007 Target	2007/2008 Target	2008/2009 Target
Overall LSS employee engagement score Baseline of 72% set in 2004/2005 (Survey every three years)	Not measured	Not measured	77%	Not measured

Building and sustaining capacity to meet client needs has been a critical challenge facing LSS since 2002. Goal 4 narrows the focus from the 2005/2006 – 2007/2008 service plan (Objective 3: Build and sustain the necessary capacity in LSS staff, systems and processes, professionals, and other service providers to provide LSS services) to managing internal capacity to meet strategic objectives. This goal recognizes LSS employees as one of the organization's key strengths and highlights the value LSS places on making a contribution to justice even in an environment of limited resources.

Most LSS employees are dedicated and proud to work for the society. The employee engagement score, which LSS uses to assess its performance in this area, is a composite rating that includes employee commitment, job satisfaction, and organization satisfaction. The society established a baseline score of 72% in 2004/2005 (this replaces the employee satisfaction score of 68% reported last year, but is derived from the same data; see page 11). In comparison, the overall employee engagement score in the provincial public sector, based on surveys done to date, was 64% for that year. Meeting our 2007/2008 target of 77% for overall employee engagement will signify that staff are increasingly satisfied with the work they do and how they're managed, and are committed to the organization and its goals. It will also show that LSS is enhancing its ability to retain highly skilled employees and, in turn, efficiently provide quality legal aid services.

Results

LSS did not measure employee engagement this year. However, positive feedback gathered at an LSS staff conference in Vancouver in March 2006, and high ratings for the conference itself, indicate that LSS efforts to increase employee engagement are recognized and appreciated by staff.[1] LSS held the conference in response to requests by staff for an opportunity to learn, network, and engage with colleagues across the organization. Staff views on the society's programs and priorities gathered at the event will be used to develop an employee engagement action plan. They will also be presented to the LSS board to inform its strategic planning.

In September 2005, LSS surveyed all staff for their views on the internal and external challenges facing the society and on how LSS should address these challenges to meet its mission, vision, and mandate. Responses were considered by managers in developing the service plan for 2006/2007 – 2008/2009, and a staff survey is now a part of the annual service planning process. This enriches the plan and helps strengthen employee commitment to the society and its work.

[1] Over 80% of permanent LSS staff attended the conference. Of attendees who completed the conference evaluation, 86% rated the overall quality and 77% rated the personal value of the conference as very good or excellent, and 83% of respondents expressed interest in attending another staff conference within two to five years. In one interactive conference session, staff cited employee programs, organizational redesign, and staff commitment, knowledge, and experience as a few of the efforts that are "working best" for LSS.

Performance highlights

Redesign 2005: With the implementation of the Redesign 2005 project this year, LSS completed the process of restructuring that began with changes to funding and services in 2002. Redesign 2005 established an organizational and staffing structure that allows the society the flexibility, strength, and efficiency to meet its mandate with limited resources. The new LSS structure — four divisions reporting to an executive office — clusters similar functions by division. The goal of Redesign is to strengthen client focus and streamline administrative and reporting processes for staff, improving the society's ability to manage workloads and service demand and quality; increasing accountability for outcomes; and enabling more efficient collaborations with service partners.

A key element of the new structure is an enhanced Strategic Planning and Policy department responsible for strategic review of projects and initiatives and implementation of a centralized policy and planning process. This new approach to project management and policy development will augment the society's capacity to meet client needs.

Staff attendance, performance, and training: This year, LSS continued its attendance management program by reviewing, updating, and communicating to all staff its attendance and leave policies, and providing training on attendance management to managers and supervisors. Managers also received attendance reports and addressed absentee issues with staff. Attendance data for 2005/2006 shows a decrease in absenteeism since 2004. The average overall employee absentee rate in 2005/2006 was 7.72 days, compared with 8.71 days in 2004/2005.[12]

The society also supported staff through new Employee Wellness Program initiatives and training based on employee input and managers' assessments of individual staff, department, and society needs.

Future outlook

Full implementation of and adjustment to the new structure will continue into the next fiscal year. Key tasks slated for 2006/2007 include preliminary work on a risk management strategy, development of a knowledge management strategy, and implementation of a centralized reporting framework. LSS will also pursue new organizational development measures, including a process for leadership development.

LSS will also review, clarify, and rewrite its *Intake Policies and Procedures Manual* in 2006/2007. The goal is to create a user-friendly "one stop" online guide that will increase application processing speed and enable intake workers to more quickly refer ineligible clients to alternative services.

LSS is currently reviewing its performance planning process and intends to have an active performance plan in place for all staff by the end of fiscal 2006/2007.

[12] These rates include leaves greater than four weeks. By employee group, the average absentee rate in 2005/2006 was 9.70 days for BC Government and Service Employees' Union members, 3.49 days for exempt staff, and 3.48 days for Professional Employees Association members.

Goal 5

Effective management of LSS funds.

Performance measures	2005/2006 Result	2006/2007 Target	2007/2008 Target	2008/2009 Target
Actual to budget variance	5.4% variance	2% variance	1.5% variance	1.5% variance

This goal centres on the society's internal financial management. The ongoing need to ensure adequate funding for the society, a key objective of the 2005/2006 service plan (Objective 2: Build the financial capacity to maintain proven initiatives and sustain core services), is reflected in Goal 1. Goal 5 highlights the importance of sound financial forecasting, accounting, and auditing processes to LSS meeting its mandate, and emphasizes the society's accountability for administering its limited resources.

LSS measures how well it is managing its finances by comparing the difference between budgeted and actual expenses. By taking steps to reduce the actual to budget variance to 1.5% by 2007/2008, the society will ensure that it is appropriately managing financial risks and making the most productive and timely use of available funds for client services.

Results

The actual to budget variance performance measure was introduced this year. LSS achieved a result of 5.4% for 2005/2006, and has set targets for reducing the variance in subsequent years. (See Financial Report, page 28, for information about the budget surplus.)

Performance highlights

Accumulated surplus: In October 2005, the board of directors decided that LSS would use the unrestricted funds in the accumulated surplus to support pilot project projects, with the goal of eliminating the surplus by 2010. All projects funded using the surplus will have a two-year time limit and be aligned with the society's strategic priorities. This will allow LSS to test innovative services while sustaining current core services.

Although the society increased spending throughout the year by introducing tariff renewal measures, expanding family law services, and increasing financial eligibility rates, these expenditures did not fully offset revenue, leading to a budget surplus (see Financial Report, page 28).

Core funding: LSS received an additional $4.6 million in core funding from the provincial government in 2005/2006 to support new family programs. However, the society was not successful in obtaining an ongoing increase in core funding to establish LawLINE advice services, LawLINK, and legal information outreach workers (LIOWs) as permanent programs; to support tariff renewal; or to fund the anticipated costs of new electronic disclosure requirements.

The society's annual funding from the Notary Foundation increased significantly this year as a result of higher interest rates and a change to the Notaries Act, which now requires the foundation to contribute 55% rather than 50% of their interest income to LSS. The society also received the first half of a supplementary "shared surplus" grant from the Law Foundation in December 2005, adding

10% to its anticipated Law Foundation grant funding (see Financial Report, page 28).

Client contributions: The society initiated research this year into client contributions as a means to recover some costs and provide funding for client services, as well as expand eligibility. The society has issued a request for proposals and in 2006/2007 will conduct an independent feasibility study of a client contribution, cost recovery, and expanded eligibility program.

Financial processes: LSS implemented a new financial system in September 2005, improving its ability to process accounts payable and enabling the society to electronically transfer funds to the private bar. The new system is part of a strategy to use technology to streamline processes, gaining efficiencies for staff and service providers. Testing of electronic funds transfer to lawyers and staff began in March 2006.

Future outlook

To yield greater efficiencies and effectiveness in LSS systems and processes, in 2006/2007 LSS will implement recommendations from a business process review conducted this year in the Audit and Investigation department. One priority is developing an internal review program and audit plan. The society will also implement recommendations from a strategic assessment of the Information Technology department, which include plans to better align this department with the organization's long-term objectives. As technology is a critical component in many of the society's innovative services, a strong and integrated IT department is a strategic necessity.

Next year, the society will examine options for service and other improvements to more effectively utilize available resources.

Alignment with Government's Strategic Plan

The BC government's *Strategic Plan Update 2005/2006 – 2007/2008* outlines "five great goals for a golden decade." LSS and its services support the third goal: "To build the best system of support in Canada for persons with disabilities, special needs, children at risk, and seniors."

LSS supports the government's goal by providing services that respond to the special legal needs of people with low incomes. LSS makes legal representation, advice, information, and education available, and takes steps to ensure intermediaries as well as potential clients are aware of these services.

LSS also collaborates with a wide range of justice system partners and other stakeholders to provide innovative, cost-effective services to enhance access to the justice system for our clients.

In addition, LSS provides the Attorney General with information and expert advice, and participates in justice reform activities and legal research, to ensure that justice system decisions and changes address the legal needs of people with low incomes.

Financial Report

2005/2006 was a turning point for LSS. After three years of declining funding and, in turn, reduced expenditures, funding increases from all sources this year enabled the society to introduce a range of improvements. However, spending increases of 10.2% did not offset the higher revenue, leading to an operating surplus.

The following discussion of the society's financial condition for the year ending March 31, 2006, should be read in conjunction with the society's audited financial statements (see pages 35 to 46). The financial information presented here has been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. LSS is accountable for how it uses all its funding under the Budget Transparency and Accountability Act.

Management discussion and analysis

Surplus

The operating surplus for 2005/2006 was $4.5 million. Most of this surplus can be attributed to new family services coming in under budget, tariff contingencies not being needed, unanticipated increases in revenue from non-government sources, and unfilled staff vacancies pending completion of internal restructuring.

Although LSS received full funding for its new family initiatives for 2005/2006, new programs can take a year or two to become fully operational and first year expenditures can be significantly less than expected full costs. Two family services initiated this year, Supreme Court duty counsel and limited Supreme Court referrals, experienced start-up difficulties that delayed spending over the period. As well, lawyers' use of expanded family coverage — additional preparation hours and extended services for clients at greatest risk — was below target.

Tariff expenditures are demand driven. To ensure LSS complies with legislation stating that the society's expenditures cannot exceed its revenues (unless offset by available surplus funds), contingencies are built into the tariff budget each year to allow for an increase in referral volumes. As criminal and family volumes did not grow as much as anticipated in 2005/2006, these contingencies were not needed.

At March 31, 2006, the society's accumulated surplus was $12.9 million (see table 6 on page 33). This amount includes $2.5 million invested in capital and $0.6 million internally restricted for alternative dispute resolution pilot projects in the area of child protection, leaving $9.7 million in unrestricted funds. The LSS board has directed management to eliminate the unrestricted accumulated surplus by March 31, 2010. To do so, LSS will be required to run an annual operating deficit of more than $2 million for the next four years, and fund these deficits out of the accumulated surplus.

Resource allocations

LSS allocated $44.5 million or 66.6% of its budget to contracted representation services this year. Salaries and benefits comprise the next largest budget item at $12.5 million or 18.8%. Expenses for building leases and amortization amounted to $2.6 million or 3.9%. All other costs totalled $7.1 million or 10.7%. See table 4, page 31.

At March 31, 2006, there were 89.8 full time equivalent positions allocated to direct client support and 60.5 to general administrative support.

Revenue

The society's revenues were $71.3 million this year, up $6.6 million from 2004/2005. With the exception of income from the Federal Investment Fund, which was scheduled to decline as part of a three-year agreement, revenue from all sources increased during the year (see table 3, page 30).

Provincial funding

The provincial government provides the largest portion of the society's revenue. This funding is subject to a three-year Memorandum of Understanding (MOU) between LSS and the Attorney General.

The MOU outlines the anticipated funding for each year and the priorities for its use. It also defines exceptional matters and establishes a stable process for funding them. Provincial revenue for these cases is adjusted to match the actual costs incurred during the year. The MOU allocates specific amounts for representation in each area of law, public legal education and information services, and strategic initiatives, and sets out priorities for reallocating surpluses to shortfalls among budget categories during the year. In 2005/2006, there were no shortfalls. The society's obligation to provide services is limited to the funding allocated in the MOU for each specific area.

In 2005/2006, the Attorney General and LSS signed a second MOU that includes a $5.7 million increase in core funding ($4.6 million for new family services and $1.1 million for increases in the criminal tariff).

During March 2006, LSS negotiated labour contracts with its two unions (British Columbia Government and Service Employees' Union and the Professional Employees Association). The four-year agreements included a one-time payment to union members and exempt staff offered by the provincial government as an incentive to settle before the end of March 31, 2006. At the end of this fiscal year, the provincial government provided LSS with $660,000 to fund the early contract settlement payment.

Federal funding

Under federal-provincial contribution agreements, the federal government reimburses the provincial government for some legal aid costs. In 2005/2006, the federal contribution to BC for adult criminal, youth, and immigration legal aid was about $12 million.

The society also received $2.9 million this year from the Federal Investment Fund (also known as the Legal Aid Renewal Fund), which supports innovative services that address unmet needs in criminal law. The federal government provides this funding to the provincial government, which then transfers it to LSS. In addition, the federal government contributes up to $650,000 each year for large federally prosecuted cases based on actual expenses. For the 2005/2006 fiscal year, the society received $270,000.

The three-year Federal Investment Fund agreement expired March 31, 2006. LSS has been advised that the agreement is extended for one year. The 2006/2007 budget includes $2.6 million from this fund, and up to $650,000 for large federally prosecuted cases.

Foundation grants

Both the Law Foundation and the Notary Foundation provide annual grants to LSS with revenue earned on trust funds held by their members. Since these funds are not included in the MOU, the society can allocate them at its discretion, provided the spending meets the objectives of the society. Rising interest rates in 2005/2006 led to higher than anticipated grant funding for the year.

A change in the Notaries Act in 2005/2006 now requires the Notary Foundation to contribute 55% rather than 50% of their interest revenue to the society annually, contributing to this year's increase in grant revenue. The foundation gave $1.2 million to LSS in 2005/2006, $647,000 more than the year before.

The Law Foundation provided the society with $3.3 million in base funding, $327,000

in the first half of a supplementary "shared surplus" grant made possible by rising interest rates, and $170,413 in project funding. Project funds are initially recorded as deferred contributions and then as revenue when actual project costs are incurred. During this fiscal year, $122,214 in project funding was included in revenue; the balance will be recorded as revenue in a future year. LSS can only use the grant money for the designated projects and is required to provide the foundation with semi-annual reports on the work. Unspent funds can be carried into subsequent years to complete the project, but the society must return unspent funds when projects come in under budget or are not completed.

Investments

The majority of the society's available cash is invested under the LSS board's investment policy, which permits the society to invest in low-risk short-term securities or pooled funds. LSS follows Canadian generally accepted accounting principles for not-for-profit organizations, which require the society to report the value of investments at the lower of cost or market at year-end. After adjusting to market value, the total revenue from investments for this year was $787,000, compared to $544,000 in the prior year. This increase is more than expected, as a result of higher than projected interest rates.

Other revenue

Other sources of revenue for the 2005/2006 year include payment for administrative services LSS provides to the Ministry of Attorney General for out-of-mandate cases, funding from the Department of Justice for federal out-of-mandate cases, and a deferred contribution from the Ministry of Children and Family Development for child protection mediation projects.

Table 3 Legal Services Society revenue, 2005/2006

Revenue	Actual	%	Budget	%
Core provincial government funding[1]	$ 62,084,609	87.1	$ 62,488,000	88.5
Law Foundation grant	3,599,750	5.0	3,272,500	4.6
Notary Foundation grant	1,153,799	1.6	625,000	0.9
Federal Investment Fund	2,916,758	4.1	3,297,000	4.7
Investments	787,077	1.1	550,000	0.8
Other[2]	620,523	1.0	351,000	0.5
Law Foundation project grants	122,214	0.1	–	–
Total	**$ 71,284,730**	**100.0**	**$ 70,583,500**	**100.0**

[1] The variance between actual and budget amounts for core provincial funding is due to a deferred contribution for exceptional matters ($464,000), an adjustment for immigration funding ($653,000), and the inclusion of the early contract settlement incentive payment of $660,000 and other funding totalling $54,000.

[2] Other includes publishing revenue, administrative fees, etc.

Expenses

The society's expenses increased to $66.8 million this year, compared to $60.6 million in 2004/2005. Of this increase, $4.9 million was for tariff and duty counsel services. Tables 6 to 11 summarize the society's expenses for the past five years.

Tariff expenses

In prior years, the society has been required to reduce or eliminate tariff expenditures. In contrast, tariff costs (except for transcripts) increased this year with the implementation of expanded family services including extended family referrals (February 2005 — see page 52), Supreme Court limited scope referrals (April 2005 — see page 52), Supreme Court duty counsel (throughout 2005/2006 — see page 50), and additional preparation hours (October 2005); the elimination of holdbacks (June 2005 — see page 57); and other tariff renewal measures such as the introduction of tiered compensation rates for lawyers (February 2006 — see page 56). The society will continue to implement changes to the tariff as funding permits.

To determine the costs for tariff and duty counsel, the society estimates the liability for services provided by the private bar. To arrive at this figure, LSS uses an actuary's model that includes actual costs based on invoices received and estimated costs for work on all unbilled referrals made during the fiscal year. The calculation is 90% accurate, 19 times out of 20. The estimated tariff liability at the end of 2005/2006 is $9.96 million.

The budget for exceptional matters (see Appendix 4, page 56) this year was $2.7 million, plus $1.7 million in deferred revenue from prior fiscal years. Expenses came to $2.2 million, resulting in a year-end deferred contribution of $2.1 million.

Salaries and benefits

Included in salaries and benefits is $660,000 for the one-time early contract settlement payment to all staff.

Risks

The main financial risk faced by LSS in 2005/2006 was continued generation of a budget surplus. LSS took steps to mitigate this risk during the year, such as accelerating spending on new tariff initiatives to partially offset lower than expected referral volumes.

This is an ongoing risk. To decrease the likelihood of incurring a large operating surplus next year, LSS has adjusted some budgets and budgeting processes. For example, for 2006/2007 the budget for the additional family tariff items will be reduced to reflect projected volumes, and former contingency amounts will be used for tariff renewal.

LSS prepares its annual budget based on expected case volumes. The challenge to manage budgets to avoid both deficits and surpluses for a demand-driven service is

Table 4 Legal Services Society expenses, 2005/2006

Expenses	Actual	%	Budget	%
Contracted representation	$ 44,523,379	66.6	$ 46,657,900	66.7
Salaries and benefits[1]	12,536,155	18.8	12,830,616	18.3
Building and amortization	2,610,176	3.9	2,583,170	3.7
All other costs	7,140,097	10.7	7,861,814	11.3
Total	**$ 66,809,807**	**100.0**	**$ 69,933,500**	**100.0**

[1] Salaries and benefits includes $660,000 for the early contract settlement incentive payment. See page 29 under Provincial funding.

heightened by shifting provincial government budget timelines. As these timelines become earlier each year, the accuracy of the society's budget projections may decrease.

The agreement between the federal and provincial governments to provide LSS with Legal Aid Renewal Fund monies was extended to March 31, 2007. However, if this agreement is not renewed, LSS may need to reevaluate the increased eligibility limits for criminal services.

This year the society received $1.9 million in revenue directly attributable to rising interest rates. Changes in interest rates during the 2006/2007 fiscal year could affect the society's operating surplus/deficit. At this time, LSS anticipates a small increase in interest rates for the upcoming year.

Long-term funding for immigration/refugee legal aid continues to be a concern for the society. Although $1.7 million in provincial and federal funding is available for these services in 2006/2007, to date no commitments have been made for funding in this area beyond March 31, 2007.

Future outlook

The provincial government approved the LSS 2006/2007 operating budget in March 2006. This budget included a $2 million deficit to be funded from the society's unrestricted accumulated surplus. Over the next four years, LSS will take advantage of the surplus to fund projects that support the strategic priorities of the board: testing innovative services, furthering tariff renewal, and raising legal aid awareness. This will eliminate the surplus by 2010 (see Surplus, page 28).

Next year, LSS will request additional provincial government core funding to support future tariff renewal and results-based tariff management, which is critical to sustaining an effective legal aid system. LSS will also renew its request for permanent funding for LawLINE advice services, LawLINK, and LIOWs. These proven projects have been extended to the end of 2006/2007 using the society's accumulated surplus. To ensure LSS can sustain its immigration services, the society will maintain its efforts to secure core funding in this area. As well, the society will continue to work with the Ministry of Attorney General to find a solution to funding the costs of e-disclosure.

As part of the contract settlements this year, the provincial government committed to fully support the related costs through increased ongoing core funding for the society. This provides LSS with certainty of salary and benefit costs as well as the funding for these costs over the next four years.

Table 5 Financial outlook

	2005/2006 Actual	2006/2007 Projected	2007/2008 Projected
Revenue (all sources)	$ 71,284,730	$ 71,000,000	$ 70,700,000
Expenses			
Contracted representation services and support (tariff support, etc.)	44,523,379	54,100,000	55,800,000
Strategic initiatives and other expenses	22,286,428	18,900,000	17,500,000
Total expenses	66,809,807	73,000,000	73,300,000
Surplus (deficit)	$ 4,474,923	$ (2,000,000)	$ (2,600,000)

Table 6 History of revenue and expenses

	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Revenue	$ 71,284,730	$ 64,676,570	$ 71,131,172	$ 76,326,537	$ 101,458,186
Expenses	66,809,807	60,623,079	69,210,287[1]	73,228,635	95,543,921
Excess revenue over expenses	4,474,923	4,053,491	1,920,885	3,097,902	5,914,265
Accumulated surplus (deficit)	$ 12,860,549	$ 8,385,626	$ 4,332,135	$ 2,411,250	$ (686,652)

[1] Expenses for 2003/2004 consist of the following: total expenditures from operations ($62,233,661) minus the transition costs (recoveries of $406,969) plus the change in tariff estimate ($6,637,859) plus amortization ($745,736).

Table 7 History of operating expenses: Legal aid offices[1]

	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Regional centres	$ 5,343,847	$ 5,260,904	$ 4,715,833	$ 3,015,176	$ –
Local agents	711,300	790,200	719,250	464,502	–
Contracted services[2]	1,297,502	1,149,338	1,094,341	644,295	–
Brydges duty counsel	366,000	338,172	243,538	242,843	229,576
Other[3]	–	–	–	12,443,049	29,903,237
Total	**$ 7,718,649**	**$ 7,448,614**	**$ 6,772,962**	**$ 16,809,865**	**$ 30,132,813**

[1] In September 2002, branch offices, community law offices, native community law offices, and area directors were replaced by regional centres, local agents, and the LSS Call Centre.

[2] Contracted services include the Community Legal Assistance Society and West Coast Prison Justice Society.

[3] Other includes costs for former offices and former contracted services.

Table 8 History of operating expenses: Client programs

	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Appeals	$ 541,456	$ 488,942	$ 501,077	$ 494,235	$ 647,791
Community Services	1,533,948	1,731,988	1,965,441	185,645	–
Public Legal Education and Information	1,632,970	1,536,267	1,593,245	490,328	–
Other[1]	–	–	–	917,684	2,223,539
Total	**$ 3,708,374**	**$ 3,757,197**	**$ 4,059,763**	**$ 2,087,892**	**$ 2,871,330**

[1] Prior to September 2002, Other included Library services, Public Legal Education, Publishing, and Native Programs. From September 2002 onward, these costs are included under Community Services and Public Legal Education and Information.

Table 9 History of operating expenses: Service delivery support

	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Tariff, Audit, and Investigation	$ 2,177,157	$ 1,654,241	$ 1,401,693	$ 1,395,135	$ 1,400,170
Field Operations[1]	–	573,860	836,740	531,794	895,038
Total	**$ 2,177,157**	**$ 2,228,101**	**$ 2,238,433**	**$ 1,926,929**	**$ 2,295,208**

[1] Field Operations includes reciprocals. In 2005/2006, Field Operations was eliminated during the internal reorganization, and expenses were distributed throughout the society.

Table 10 History of operating expenses: Management and administration

	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Human Resources[1]	$ 1,333,717[2]	$ 699,424	$ 760,605	$ 677,174	$ 1,184,480
Finance and Corporate Services	4,419,724	4,201,273	2,615,210	2,891,780	3,515,022
Information Technology	1,994,321	1,779,929	2,001,973	2,323,670	2,529,604
Communications	92,729	78,776	62,265	56,277	51,063
Depreciation	1,124,997	958,398	745,736	946,370	1,461,537
Total	**$ 8,965,488**	**$ 7,717,800**	**$ 6,185,789**	**$ 6,895,271**	**$ 8,741,706**

[1] Human Resources includes training.

[2] In 2005/2006, Human Resources includes $660,000 for the early contract settlement incentive payment.

Table 11 History of operating expenses: Tariff[1]

Area of law	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002
Criminal	$ 23,268,162	$ 21,370,625	$ 27,349,175[2]	$ 19,269,211	$ 18,835,042
Family	7,071,015	5,535,663	6,432,371	11,319,885	18,162,787
CFCSA	3,777,742	3,527,608	3,563,404	4,112,980	4,200,867
Immigration	1,047,402	760,437	3,647,560	3,695,260	4,435,750
Exceptional matters[3]	2,031,346	1,681,900	2,741,705	1,426,087	–
Duty counsel[4]	6,166,008	5,639,730	5,014,337	3,639,683	3,187,290
Human rights[5]	68,441	4,901	26,373	189,343	398,582
Prison[6]	–	–	–	97,034	173,834
Transcripts	740,106	916,285	952,918	1,223,329	1,164,625
Pro bono disbursements[7]	<34,462>	<77,695>	109,153	155,077	320,547
Staff case disbursements	104,379	111,913	116,344	380,789	623,540
Total[8]	**$ 44,240,139**	**$ 39,471,367**	**$ 49,953,340**	**$ 45,508,678**	**$ 51,502,864**

[1] Tariff expenses include private bar disbursements and tariff liabilities (including holdback payments). Recoveries from lawyers for accounts billed in error ($54,654 in 2005/2006 and $58,822 in 2004/2005) and recoveries from clients ($248,901 in 2005/2006 and $197,264 in 2004/2005) are paid back into the applicable tariff budget.

[2] In 2003/2004, LSS implemented a new method of estimating its tariff liability (see page 31). Using the new method, the society's liability at the end of that year was $6.6 million greater than the amount using the former method; this $6.6 million is included in the criminal tariff costs for that year.

[3] Costs for exceptional matters (see Appendix 4) were not reported separately or were not covered by LSS prior to April 1, 2002.

[4] Duty counsel includes circuit court counsel payments and family duty counsel projects (for FDC projects, these costs were $1,681,277 in 2005/2006 and $1,693,888 in 2004/2005). It does not include Brydges costs (see note 8), which are included in the duty counsel amount in the "Statement of Operations" on page 39.

[5] Human rights coverage was eliminated as of April 1, 2002, due to funding cuts to the BC Human Rights Commission. Expenses reported are for referrals issued prior to April 1, 2002. The commission (via the provincial government) reimbursed LSS for the cost of the human rights tariff for BC Human Rights Act matters.

[6] The 2002/2003 total includes payments to private bar lawyers for referrals made prior to September 2002.

[7] Pro bono recoveries for disbursements from prior years totalled $106,887. (These recoveries consist of funds reimbursed to LSS by private lawyers who have recovered costs from clients they assisted under the society's former poverty law services.) Disbursements for 2004/2005 totalled $30,201.

[8] The 2005/2006 total consists of the following expenses (shown in the "Statement of Operations" on page 39): tariffs plus transcripts plus duty counsel minus Brydges (included in duty counsel). Brydges costs (reported separately under legal aid offices in table 8) were $366,000.

The 2004/2005 total consists of the following expenses (shown in the "Statement of Operations" on page 39): tariffs plus transcripts plus duty counsel plus change in tariff estimate minus Brydges (included in duty counsel). Brydges costs (reported separately under legal aid offices in table 7) were $338,172. The 2004/2005 change in tariff estimate is included in the criminal tariff amount — see note 2.

Legal Services Society Financial Statements 2005/2006

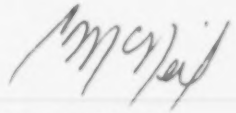
Legal Services Society Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the Society's financial statements. This responsibility includes maintaining the integrity and objectivity of the Society's financial records, and presenting the Society's financial statements in accordance with Canadian generally accepted accounting principles.

Management maintains a system of internal controls that ensures that all material agreements and transactions of the Society are properly recorded. The Society's financial statements for the year ended March 31, 2006, have been examined by KPMG LLP. Their examination was made in accordance with Canadian generally accepted accounting standards, and included obtaining a sufficient understanding of the Society's internal controls to plan the audit.

The directors of the Society's board are not employees of the Society. The board of directors is responsible for determining that management fulfills its responsibilities in the preparation of the financial statements and the control of the Society's financial operations. The board of directors meets with staff of KPMG LLP to discuss their audit work, the Society's internal controls, and the financial statements. The board of directors is responsible for approving the financial statements.

Mark Benton
Executive Director



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AUDITORS' REPORT

To the Board of Directors,
Legal Services Society, and,

To the Attorney General,
Province of British Columbia

We have audited the balance sheet of the Legal Services Society (the "Society") as at March 31, 2006 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Burnaby, Canada
May 15, 2006

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

Legal Services Society
Balance Sheet

As at March 31, 2006

	2006	2005
Assets		
Current assets		
Cash	$ 1,211,929	$ 1,657,956
Short-term investments (note 3)	21,402,671	18,176,117
Accounts receivable		
Government of British Columbia	3,242,859	912,396
Government of Canada	399,739	407,711
Other	667,035	475,115
Prepaid expenses	551,525	264,766
Total current assets	27,475,758	21,894,061
Capital assets (note 4)	2,792,885	3,715,889
Total assets	$ 30,268,643	$ 25,609,950
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities		
General	$ 2,598,366	$ 1,914,359
Tariff (note 5)	11,613,324	12,412,369
Deferred income (note 6)	2,614,323	2,278,009
Total current liabilities	16,826,013	16,604,737
Long-term liabilities (note 8)	582,081	619,587
Surplus in net assets		
Invested in capital assets (note 9)	2,541,885	3,509,889
Internally restricted (note 11)	600,000	600,000
Unrestricted	9,718,664	4,275,737
	12,860,549	8,385,626
Total liabilities and surplus	$ 30,268,643	$ 25,609,950

Commitments (note 10)

Contingencies (note 15)

The accompanying notes are an integral part of these financial statements.

Approved by:

Geoffrey Cowper, Q.C.
Chair of the Board of Directors

Janice Comeau
Chair of the Finance Committee

Legal Services Society
Statement of Changes in Net Assets

For the year ended March 31, 2006

	Invested in capital assets (note 9)	Unrestricted	Internally restricted (note 11)	Total 2006	Total 2005
Balance, beginning of year	$ 3,509,889	$ 4,275,737	$ 600,000	**$ 8,385,626**	$ 4,332,135
Excess (deficiency) of revenue over expenses for the year	(1,124,997)	5,599,920	–	**4,474,923**	4,053,491
Investment in capital assets	156,993	(156,993)	–	**–**	–
Balance, end of year	$ 2,541,885	$ 9,718,664	$ 600,000	**$ 12,860,549**	$ 8,385,626

Legal Services Society
Statement of Operations

For the year ended March 31, 2006

	2006	2005
Revenue		
Grants		
Government of British Columbia	$ 62,084,609	$ 55,936,801
Federal Investment Fund	2,916,758	3,649,577
Law Foundation	3,721,964	3,539,475
Notary Foundation	1,153,799	506,346
	69,877,130	63,632,199
Other income		
Interest	787,077	543,858
Miscellaneous	620,523	500,513
	1,407,600	1,044,371
Total income	$ 71,284,730	$ 64,676,570
Expenses		
Amortization	1,124,997	958,398
Local agents	711,300	700,200
Board expenses	105,291	88,474
Computers	892,925	839,149
Duty counsel	6,621,369	5,977,902
Grants and contracted services	3,635,940	3,463,285
Libraries	101,592	80,097
Miscellaneous	353,614	218,034
Office	1,221,998	1,315,237
Premises	1,485,179	1,594,247
Salaries and benefits	12,536,155	11,410,570
Tariffs	37,158,431	32,915,350
Transcripts	743,580	916,285
Travel	117,436	145,851
Total expenses	$ 66,809,807	$ 60,623,079
Excess of revenue over expenses	$ 4,474,923	$ 4,053,491

Legal Services Society
Statement of Cash Flows

For the year ended March 31, 2006

	2006	2005
Cash flows provided by (used in):		
Operating activities		
Excess of revenue over expenses for the year	$ 4,474,923	$ 4,053,491
Items not involving the outlay of cash		
Amortization	1,124,997	958,398
Accretion expense	18,000	1,000
	5,617,920	5,012,889
Changes in non-cash operating items		
Accounts receivable	(2,514,411)	801,834
Prepaid expenses	(286,759)	(179,585)
Accounts payable and accrued liabilities	(115,038)	532,493
Deferred income	336,314	600,642
	3,038,026	6,768,273
Financing activities		
Long-term liabilities	(78,506)	335,587
Investment activities		
Capital asset additions	(178,993)	(2,816,184)
Short-term investments	(3,226,554)	(9,079,309)
Long-term investments	–	1,517,133
	(3,405,547)	(10,378,360)
Net decrease in cash position	(446,027)	(3,274,500)
Cash position, beginning of year	1,657,956	4,932,456
Cash position, end of year	$ 1,211,929	$ 1,657,956
Supplemental cash flow information		
Non-cash transactions		
Increase in capital asset and related asset retirement obligation	$ 23,000	$ 206,000

Legal Services Society
Notes to the Financial Statements

For the year ended March 31, 2006

1. Overview

The Legal Services Society (the "Society") was established under the Legal Services Society Act on October 1, 1979, and was revised on May 9, 2002. The Society is governed by a Board of Directors, of which 5 are appointed by the Province of British Columbia (the "Province") and 4 are appointed by the Law Society. The purpose of the Society is to:

- assist low-income individuals to resolve their legal problems and facilitate access to justice for them,
- establish and administer an effective and efficient system for providing legal aid to low-income individuals in British Columbia, and
- provide advice to the Attorney General about legal aid.

The Society is not subject to income taxes.

2. Significant Accounting Policies

(a) Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(b) Investments

Short-term investments include banker acceptances with a maturity of less than one year and pooled funds, and are carried at the lower of cost and market value.

(c) Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis as follows:

	Per year
Furniture	20%
Equipment	20%
Computer equipment	33%
Computer software	33%
Case Management System	10%
Leasehold improvements	20%

(d) Assets retirement obligation

The Society recognizes the fair value of a future asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The Society concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the life of the asset.

The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted risk-free interest rate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized in revenue as an operating expense using the interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is depreciated over the remaining life of the asset.

(e) Pension plan

The Society participates in a multi-employer contributory pension plan. The cost of the defined contributions is recognized based on the contributions required to be made during each period.

(f) Revenue recognition

The Society follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions for expenses that will be incurred in future periods are deferred and recognized in the period in which the related expenses are incurred.

(g) Donated services

Donated services are recorded at fair value when they would normally be purchased by the Society and when fair value can be estimated for the services. If fair value cannot be reasonably estimated, the services are not recorded.

(h) Tariff expenses

Tariff expenses include amounts billed by the lawyers to the Society and an estimate of amounts of services performed by lawyers but not yet billed to the Society.

(i) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas where estimates are significant to the financial statements include the collectibility of accounts receivable, amortization of capital assets, asset retirement obligations, tariff expenses, and contingent liabilities. Actual results could differ from those estimates.

3. Investments

The carrying value of the Society's short-term investments is $21,402,671 (2005 — $18,176,117). Included in Accounts receivable — Other is $11,175 for accrued interest (2005 — $49,888). The investments have a market value at March 31, 2006, of $21,413,506 (2005 — $18,226,515).

4. Capital Assets

	Cost	Accumulated amortization	Net book value 2006	Net book value 2005
Furniture	$ 615,610	$ (309,395)	**$ 306,215**	$ 405,670
Equipment	1,124,274	(1,008,524)	**115,750**	149,074
Computer equipment	2,289,937	(1,958,362)	**331,575**	531,750
Computer software	922,071	(778,817)	**143,254**	280,354
Case Management System	1,126,527	(964,304)	**162,223**	242,287
Leasehold improvements	2,719,871	(986,003)	**1,733,868**	2,106,754
	$ 8,798,290	$ (6,005,405)	**$ 2,792,885**	$ 3,715,889

5. Accounts Payable and Accrued Liabilities — Tariff

	2006	2005
Balance, beginning of the year	**$ 12,412,369**	$ 11,784,331
Duty counsel	**6,621,339**	5,977,902
Tariffs	**37,158,431**	32,915,350
Less tariff payments made during the year	**(44,578,815)**	(38,265,214)
Balance, end of the year	**$ 11,613,324**	$ 12,412,369

The Society uses an actuarial model to estimate legal services performed but not yet billed to the Society. Management estimated the liability for services performed but not yet billed to be approximately $9,956,000 (2005 — $8,516,000). The actuarial model incorporates average case costs and service billings for similar cases over a two-year period.

6. Deferred Income

Contributions that are restricted to funding-specific expenses are deferred and amortized to operations as the related expenses are incurred.

	Balance, beginning of the year	Restricted contributions	Amortized to operations	Balance, end of the year
Law Foundation	$ 124,162	$ 152,413	$ 110,372	**$ 166,203**
Ministry of Children and Family Development	503,539	–	169,560	**333,979**
Government of British Columbia (exceptional matters*)	1,650,308	2,700,000	2,236,167	**2,114,141**
Total	$ 2,278,009	$ 2,852,413	$ 2,516,099	**$ 2,614,323**

* The Society's Memorandum of Understanding with the Attorney General of British Columbia provides for restricted funding for exceptional matters commencing with the 2003 fiscal year. Exceptional matters are cases that meet one or more of the following criteria:

- A court has ordered that counsel be provided.
- The complexity of the legal matter requires payment of fees in excess of the standard rate.
- Legal fees or disbursements exceed $50,000.
- Several individuals are involved in a similar or related legal proceeding.

7. Pension Plan

The Society and its employees contribute to the Municipal Pension Plan, a jointly trusteed pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 48,000 retired members. Active members include approximately 30,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003, indicated an unfunded liability of $789 million for basic pension benefits. The next valuation will be as at December 31, 2006, with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The Society paid $661,384 for employer contributions to the plan in fiscal 2006 (2005 — $527,846).

8. Long-Term Liabilities

		2006		2005
Asset retirement obligations	$	324,000	$	261,000
Lease inducements		258,081		358,587
	$	582,081	$	619,587

(a) Asset retirement obligations

Included within long-term liabilities is the Society's accrual for its asset retirement obligation for the estimated costs of restoring certain leased facilities to their original condition at the end of the lease terms. The following is a reconciliation of the changes in the asset retirement obligation during the year:

		2006		2005
Balance, beginning of the year	$	261,000	$	77,000
Liabilities incurred during the year		70,000		206,000
Accretion expense		18,000		1,000
Less: liabilities settled		(25,000)		(23,000)
Balance as at March 31, 2006	$	324,000	$	261,000

The accretion expense is included in the premises expense. The undiscounted estimated cash flows required to settle the obligation range from $8,300 to $280,000 during the years 2007 to 2014. The cash flows are discounted using a credit-adjusted risk-free rate of 5.0% (2005 — 3.0%).

(b) Lease inducements

Included within long-term liabilities are lease inducements that relate to inducements received during the negotiations of office lease agreements.

9. Invested in Capital Assets

	2006	2005
(a) Net assets invested in capital assets are calculated as follows:		
Capital assets	$ 2,792,885	$ 3,715,889
Amounts financed by:		
Asset retirement obligation, net of accretion expense	(251,000)	(206,000)
Balance, end of the year	$ 2,541,885	$ 3,509,889
(b) Excess of revenue over expenses:		
Amortization of capital assets	$ (1,124,997)	$ (958,398)
	$ (1,124,997)	$ (958,398)
(c) Net change in investment in capital assets:		
Net increase in capital assets	$ 201,993	$ 3,022,184
Change in asset retirement obligation	(45,000)	(131,000)
Change in capital assets	$ 156,993	$ (2,891,184)

10. Commitments

The Society has the following commitments for long-term leases of its office premises and operating leases:

2007	$ 623,079
2008	584,570
2009	557,537
2010	576,139
2011	598,112
Thereafter	2,065,949

At fiscal year-end, the liability for future costs of legal services to be performed beyond the fiscal year, for which the Society is currently committed, is estimated by management to be approximately $16 million. This estimate uses the same methodology as described in note 5 for tariff payables.

11. Internally Restricted Net Assets

On March 31, 2003, the Ministry of Children and Family Development agreed to provide $600,000 to establish a pilot project for alternative dispute resolution programs in relation to child protection. The funds are included in Deferred Income. The Society has matched this funding by internally restricting $600,000 of net assets for the same purpose.

12. Related Parties

The Society is related to the Province and its ministries, agencies, and Crown corporations. In this relationship, the Province provided funding in the amount of $62,084,609 (2005 — $55,936,801) and the Society is responsible for providing legal aid to low-income individuals throughout BC. At year-end, the Province owed the Society $3,242,859 (2005 — $912,396).

Certain members of the board of directors provide tariff services to the Society. These services are provided in the regular course of business under the same terms and conditions as other lawyers. The total amount paid during the year was $127,710 (2005 — $202,647). All payments to board members are reviewed by the finance committee on a quarterly basis.

13. Financial Instruments

The carrying value of the Society's financial instruments, including cash, short-term investments, accounts receivables, accounts payable, and accrued liabilities, approximate their fair value due to their immediate or short term to maturity.

14. Economic Dependence

In 2006, the Society received 87% (2005 — 86%) of its operating revenue from the Province and 5% (2005 — 5%) of its operating revenue from the Law Foundation of British Columbia. The Society depends on funding from these sources for the continuance of its operations.

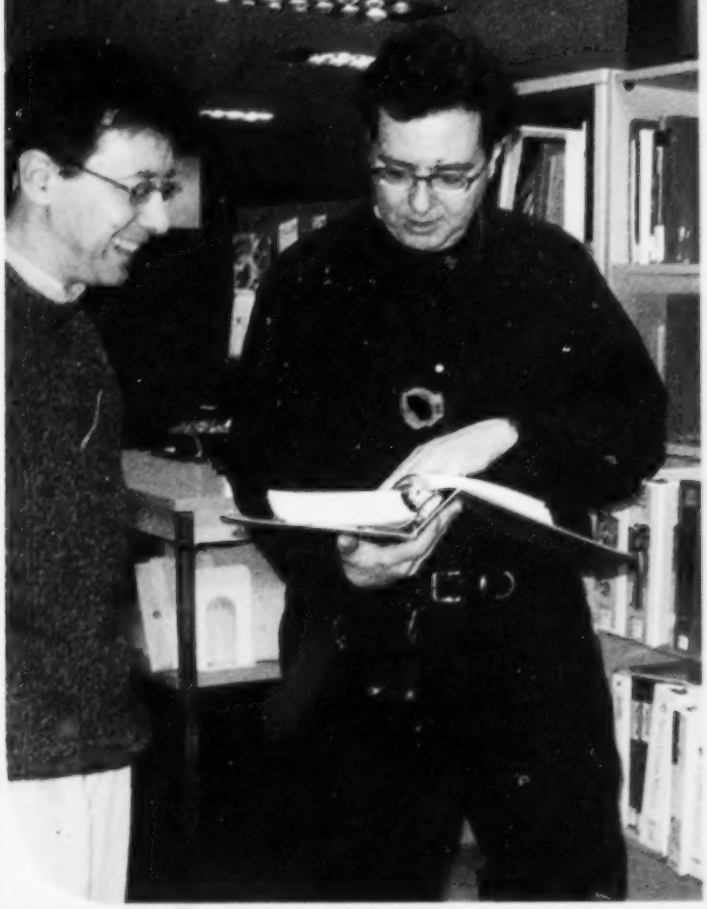
15. Contingencies

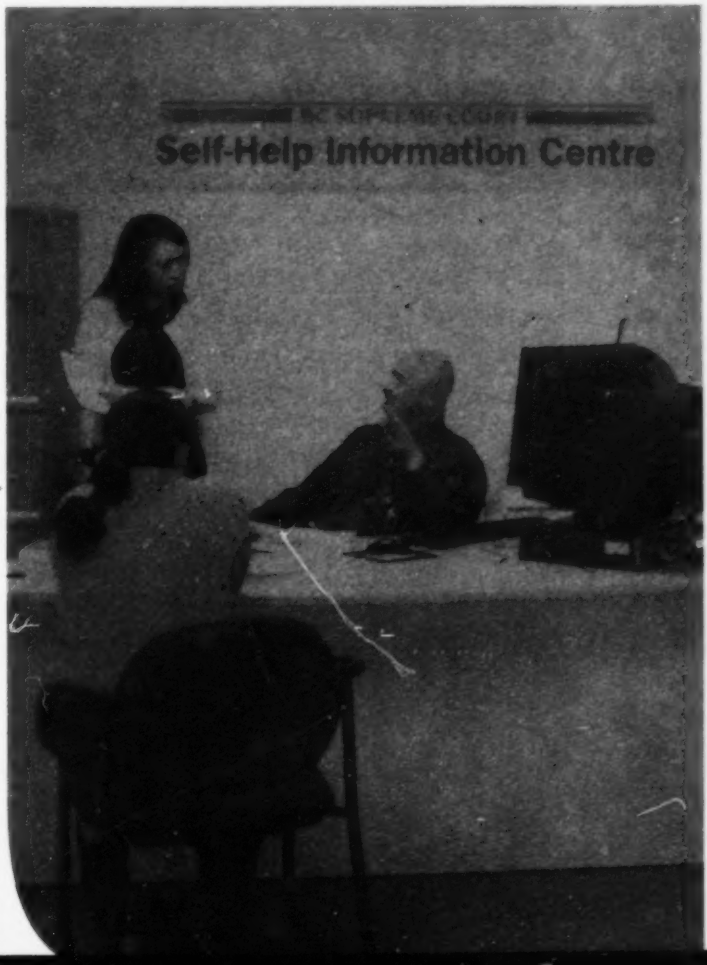
The nature of the Society's activities is such that there is usually pending or prospective litigation at any time. With respect to claims at March 31, 2006, management believes the Society has valid defenses and appropriate insurance coverage in place. In the event that any of these claims are successful, management believes they will not have a material effect on the Society's financial position.

As at March 31, 2006, the Government of Canada, the Province of British Columbia, and the Society were named as defendants in a lawsuit filed by the Canadian Bar Association. The lawsuit alleges that the current Legal Aid Plan does not meet constitutionally protected standards. While the final outcome with respect to this claim cannot be predicted with certainty, management believes the resolution will not have a materially adverse effect on the Society's financial position or results of its operations.

16. Comparative Figures

Certain comparative figures have been changed to conform to the current year's presentation.




Self-Help Information Centre

Appendix 1:

Structure

LSS provides services through 7 society-operated regional centres, 2 regional centre satellites, a toll-free call centre, and 20 society-funded local agent offices, as well as through private bar lawyers and other funded agencies. (For a list of legal aid offices, see page 71).

LSS Call Centre

The LSS Call Centre is a toll-free service for people who are unable to apply for legal representation in person. Call centre staff:

- process applications for legal representation and refer eligible clients to lawyers (intake services); and
- direct callers to legal information and/or advice services, including online and print materials, community agencies, LawLINE, and family duty counsel.

Waiting times for callers are comparable to those for applicants who apply in person.

Regional centres

Staff in regional centres:

- process applications for legal representation and refer eligible clients to lawyers (intake services);
- provide intake services at local courthouses;
- take legal aid referrals (staff lawyers);
- liaise between LSS and advocacy groups, courts, and the private bar;
- co-ordinate regional duty counsel;
- direct clients to legal information and/or advice services, including online and print materials, community agencies, LawLINE, and family duty counsel; and
- help clients access online legal information and self-help resources using the LawLINK website and public access computers.

Local agents

Local agents are lawyers funded by LSS to:

- process applications for legal representation and refer eligible clients to lawyers (intake services);
- provide intake services at local courthouses (in most locations);
- take legal aid referrals (up to an equitable portion of the referrals issued by their office);
- co-ordinate local duty counsel;
- liaise between LSS and the community and private bar; and
- direct clients to legal information and/or advice services, including online and print materials, community agencies, LawLINE, and family duty counsel.

At some local agent offices, clients can access online legal information and self-help resources using the LawLINK website and public access computers.

Other funded services

LSS contracts with other agencies and/or lawyers to provide Brydges line, circuit court, duty counsel, prison law, and mental health law services (see Appendices 2, page 49 and 3, page 54). Some LSS services are also available through government agents across BC.

Under contract with LSS, government agents provide clients with:

- copies of the society's legal information publications,
- access to the LawLINK website,
- limited free printing services, and
- fax drop-off and pick-up.

Provincial support services

Staff at the Vancouver Regional Centre also provide services to the public, assistance to legal aid offices throughout the province, and support for private bar lawyers. At March 31, 2006, provincial support services were provided through the Executive Office and four divisions:

- Executive Office — responsible for supporting the LSS Board of Directors, board committees, and the Executive Management Committee to provide overall direction and policy planning for the society.
- Finance and Corporate Services Division — responsible for the society's financial transactions, facilities administration, computer systems, and audit and investigations.
- Legal Advice and Representation Division — responsible for criminal law and large case management services, civil law services, and the case management system.
- Public Legal Information and Applications Division — responsible for public legal education and information, community outreach, intake and eligibility, and electronic access to services for clients and lawyers.
- Strategic Policy, Planning, and Human Resources Division — responsible for policy co-ordination and administration, liaising with the Ministry of Attorney General, strategic planning, corporate research, and personnel matters ranging from recruitment to labour relations.

Appendix 2:

Legal Advice and Representation

LSS provides advice and representation services to help people with low incomes resolve their legal problems on their own or with help from intermediaries or lawyers (see also Appendix 3, page 54).

Legal advice services

LSS legal advice services provide essential legal assistance to people with low incomes who are not eligible for legal representation. There is a financial eligibility test for many legal advice services.

Brydges line

The province-wide 24-hour toll-free Brydges line telephone service gives prompt access to emergency legal advice to people who are arrested, detained, or under active investigation by the police or other law enforcement agencies but not yet charged.

Duty counsel

LSS contracts with lawyers to provide duty counsel services to in- and out-of-custody accused people in most courts. Duty counsel advise unrepresented accused about the charges against them, court procedures, and their legal rights (including the right to counsel and the right to apply for legal representation). Duty counsel often act for clients at hearings to apply for a release, enter a guilty plea, and/or speak to sentence.

Immigration duty counsel at the Vancouver enforcement office of Citizenship and Immigration Canada provide legal advice to people who are being held in custody as a result of immigration proceedings, and represent them at detention hearings if there is a reasonable chance they will be released.

Clients do not have to meet the LSS eligibility requirements for legal representation to receive criminal or immigration duty counsel services, but only those who meet LSS coverage and financial eligibility requirements are entitled to a referral for ongoing representation.

Family duty counsel (FDC) give legal advice to unrepresented clients with family law problems in Provincial or Supreme Court. Provincial Court family duty counsel can speak for clients in court on simple matters such as adjournments, consent and emergency restraining orders, and uncontested custody, access, and support hearings. They can also help clients draft documents, review documents to be filed in court, and negotiate and settle issues. Duty counsel do not provide representation at trial. Priority is given to clients with matters scheduled for court that day and who meet the financial eligibility criteria for legal advice services (see Appendix 5, page 58). These lawyers are available in 46 Provincial Courts across BC.

The expanded FDC program at the Robson Square Courthouse in Vancouver is co-housed with family justice counsellors to enhance both services, and has on-site access to family advice lawyers, a LawLINK public access computer, and LSS intake services. FDC in Vancouver maintain client files and can help clients prepare for their cases over several meetings.

Supreme Court family duty counsel, available in 13 Supreme Courts across the province, offer low-income people up to three hours of legal advice about custody, access, guardianship, and child support; property (limited); tentative settlement agreements; and court procedures. Supreme Court duty counsel can also assist clients in Chambers if the matter is simple, unopposed, or by consent.

Family advice lawyers

Family advice lawyers are available in some Supreme Courts and at some family justice counsellor (FJC) offices to help unrepresented clients before and/or after their court appearance. These lawyers provide advice about family and property matters, outline available options, and help with forms and procedures. Advice lawyers at FJC offices also help low-income parents who are going through the FJC mediation process to settle their separation or divorce.

LawLINE

LawLINE is the society's province-wide toll-free telephone service, which offers brief legal advice to people with low incomes. LawLINE lawyers and paralegals provide services ranging from help with correspondence to phone calls or letters to third parties on a client's behalf. These services are available to people who cannot use alternative legal services and who meet the society's financial eligibility guidelines for advice services (see Appendix 5, page 58). LawLINE also offers legal information (see Appendix 3, page 54).

Legal representation

LSS provides legal representation to financially eligible people whose legal problems fall within the society's coverage guidelines.

Clients who qualify for legal representation are normally referred to the lawyer of their choice if that lawyer practices in the community where the case will be heard and is available and willing to do legal aid work. Clients are entitled to change lawyers once during a case, subject to the discretion of LSS. They must give LSS a reasonable explanation for their request for a new lawyer.

The society also contracts with lawyers or provides staff lawyers to work as counsel in a number of circuit courts. These courts consist of a team that travels to remote areas of the province to hear cases. Many of the

communities where these courts sit are small, rural, and predominantly Aboriginal. Circuit court lawyers represent clients in criminal, family, and youth court matters, including preliminary hearings and trials. They also provide duty counsel services (see page 49).

LSS coverage provisions are outlined in the following sections.

Criminal law

LSS provides legal representation to financially eligible people charged with criminal offences who, if convicted:

- are likely to go to jail,
- could receive a conditional sentence that would severely limit their liberty (e.g., an order for house arrest),
- might lose their means of earning a living, or
- could be deported from Canada.

Applicants also receive legal representation if they:

- do not face imprisonment if convicted but have a mental or emotional disability that prevents them from defending themselves (for instance, if they cannot understand the nature or possible consequences of the proceedings, or they are unable to communicate effectively with counsel or the court); or
- are Aboriginal and their ability to follow a traditional livelihood of hunting and fishing could be affected.

Under the federal Youth Criminal Justice Act, anyone under 18 years of age who is charged with a federal offence has a legal right to a lawyer paid for by the state. Coverage must be provided regardless of whether the client meets LSS financial eligibility requirements or is likely to go to jail if convicted.

With special funding from the Ministry of Attorney General, LSS provides legal advice and representation to victims of, or witnesses to, sexual offences when the lawyer for the defence asks for disclosure of personal information (such as counselling records). Criminal Code provisions require a judge to hear arguments about the relevance of the information sought and the effect of a disclosure on the victim or witness. Applicants requesting representation in these matters do not have to meet the society's financial eligibility requirements to get a lawyer.

Family law

LSS provides legal representation in family law for financially eligible people who:

- are victims of domestic violence or at risk of violence and likely need a restraining order or other legal assistance to protect their safety,
- have a child or children at risk of violence and need a supervised access order or restraining order to protect them,
- need to change a current custody or access order to ensure their and/or their children's safety, or
- need a non-removal order to prevent the other parent from permanently moving their children out of the province (the threat must be real and imminent, and involve a permanent change of residence).

Legal assistance for a family law problem is usually limited to one emergency referral. An emergency referral is designed to stabilize the client's situation by providing interim court orders when domestic violence is an issue or the other parent is threatening to permanently move their children out of BC. It may include several actions under the Family Relations Act or the Divorce Act, such as obtaining custody, access, and maintenance orders; orders preventing the other parent from selling or disposing of family assets; or restraining orders. The referral usually does not provide enough hours for the lawyer to represent the client at trial.

Coverage exceptions

Coverage exceptions may be approved in extenuating circumstances. These include situations where:

- court documents refer to sexual, physical, or emotional abuse, and the offending parent or partner is back in the community;
- a serious condition or disability makes the applicant unable to represent him or herself, and the family matter must be resolved to avoid further harm;
- a child is kidnapped by the access parent, and there is an existing custody order or separation agreement;
- the applicant is the respondent in a maintenance enforcement committal proceeding and will be sent to jail as a result of a failure to pay maintenance;
- there has been complete denial of access for three months or more, in breach of a court order or separation agreement; or
- the applicant is a victim of litigation harassment.

Limited scope services

The limited scope family services tariff allows counsel to provide clients who are not eligible for an emergency services referral with up to 14 hours of help in complex Supreme Court matters. Clients must be likely to suffer a significant injustice if this assistance is not provided. These referrals cover services other than court attendance, including:

- general legal advice;
- help preparing pleadings; reviewing correspondence; and drafting separation agreements, offers of settlement, minutes of settlement, or consent orders;
- negotiating with opposing parties;
- mediation support;
- referrals to other resources;
- legal research and analysis;
- coaching clients to represent themselves in court; and
- representing clients at judicial case conferences.

Clients who receive a limited scope family services referral are not eligible for extended family services.

Extended services

Extended family services may be approved for clients who would be at great risk if their high-conflict cases were left unresolved. These referrals are designed specifically for clients whose cases cannot be dealt with through mediation. The program provides lawyers with an additional 40 hours for court attendance and preparation time so they can help clients attain longer-term resolutions to their legal problems than is normally possible through the society's emergency services coverage.

Lawyers with legal aid referrals issued January 1, 2004, or later, and who believe they have cases that warrant this additional coverage, apply to LSS for the extended services on behalf of their clients. To be eligible, cases must entail one or more of the following:

- significant contested issues involving sexual, mental, or physical abuse of the client or the client's children;
- significant involvement with the Ministry of Children and Family Development;
- an unreasonably litigious opposing party who is using the justice system to continue a pattern of abuse;
- a significant risk of the client being alienated from his or her children;
- an abused client and/or the client's children may be at risk or without security if coverage of the case is discontinued; or
- the client and/or the client's children may suffer significant harm or injustice if an outstanding issue such as property or spousal support is left unresolved.

Child apprehension law

LSS provides legal assistance to eligible clients who have a legal problem that falls under the Child, Family and Community Service Act (CFCSA) and the society's CFCSA coverage guidelines.

The society's guidelines provide legal representation to applicants when:

- the Ministry of Children and Family Development (MCFD) has taken or has threatened to take their children away from them, or
- a lawyer is required to deal with custody and access issues related to a child in the care of MCFD.

Immigration and refugee law

LSS provides legal assistance for eligible clients who need help initiating refugee claims. This assistance includes preparation of Personal Information Forms and legal representation at hearings where LSS determines there is merit to the case, including complex admissibility hearings, Pre-Removal Risk Assessment applications, and Humanitarian and Compassionate claims.

Judicial appeals

Applicants who meet LSS financial eligibility requirements may receive legal representation if they are responding to appeals initiated by another party. For example, LSS normally covers a financially eligible defendant in a Crown appeal of an acquittal where the case is one the society ordinarily would cover. Otherwise, LSS only funds appeals that fall under the society's regular coverage criteria and have a reasonable chance of success.

Judicial appeals include:

- appeals of lower court decisions made to the BC Supreme Court, the BC Court of Appeal, the Supreme Court of Canada, and the Federal Court of Appeal; and
- applications for judicial reviews of decisions made by administrative boards or tribunals such as those under the Immigration Act or the Corrections and Conditional Release Act. These applications are made to the BC Supreme Court or the Federal Court Trial Division. Immigration reviews and appeals are limited to merit-tested cases that have a substantial likelihood of success. Family appeals are limited to CFCSA cases and other matters related to custody and access where violence is an issue or where the children are being removed from the province.

The Appeals Department must approve all judicial appeals and the level of service to be provided in each case.

Mental health law

LSS contracts with the Community Legal Assistance Society to provide representation at Mental Health Review Panels in BC where people are detained under the Mental Health Act, and at all Review Board hearings (established pursuant to the Criminal Code) in the Lower Mainland. LSS provides representation at Review Board hearings outside the Lower Mainland through referrals to the private bar.

Prison law

LSS delivers prison law services in all federal and provincial correctional facilities in BC through the LSS Call Centre and the West Coast Prison Justice Society (WCPJS). Priority is given to prisoners in provincial institutions.

LSS policy, based on a right to counsel under the Charter of Rights and Freedoms, is to provide services in situations where clients are unable to protect their own liberty interests in a prison setting. LSS delegates the authorization of representation in these cases to WCPJS, which generally approves representation for clients facing internal disciplinary hearings that may result in segregation as a penalty, involuntary transfers to higher security

institutions, detention hearings at the point of statutory release, or parole suspension or revocation.

Reciprocals

People who face proceedings in a Canadian jurisdiction outside their home province or territory may, if they meet specific criteria, receive the same level of legal aid service as the residents of that jurisdiction. To obtain this service, applicants must:

- be financially eligible for legal representation in their home province or territory, and
- have a legal problem that is covered by their home province legal aid plan and the plan in the jurisdiction where the proceedings will take place.

Reciprocals do not apply to criminal cases.

Appendix 3:
Legal Information Services

A priority for LSS is to provide at least some assistance to people who are ineligible for legal representation (see Appendix 2, page 49, for information about LSS legal advice services). The society offers a range of legal information services that can help people with low incomes resolve their legal problems on their own or with assistance from intermediaries. Clients can access these services through legal aid offices, LawLINE, and the Internet, as well as through courthouses, government agents, community groups, and public libraries.

Advocate education and support

LSS offers advocacy skills training and education in substantive law for advocates, community workers, and intermediaries. This work includes organizing conferences and workshops, and producing a range of information about the law that advocates can use to support their clients.

Electronic Legal Aid Newsletter

LSS publishes the *Electronic Legal Aid Newsletter (Elan)*, a monthly newsletter for community workers. Distributed to over 1,200 subscribers by e-mail and posted on the LSS website, *Elan* provides information about LSS services and PLEI materials, as well as a range of legal information and tips. It is designed to strengthen the society's ties to the community and establish a dialogue on how LSS can better serve community workers and their clients.

LawLINE

LawLINE, the society's province-wide toll-free telephone service, offers legal information to people with low incomes. LawLINE focuses on the areas of law for which LSS does not provide legal representation. LawLINE is staffed by lawyers and paralegals who answer legal questions and direct people to other information or services that can help them resolve their legal problems. LawLINE callers can get immediate access to telephone interpreters if needed.

Some legal advice services are also available through LawLINE (see Appendix 2, page 49).

Award-winning publications

LSS is consistently recognized for producing high quality materials. In 2005/2006, society publications received Communicator and Apex Awards. Both awards were established in the United States to recognize excellence in the communications field.

The following received Apex Awards:

- *LSS Service Plan 2005/2006 – 2007/2008* — Award of Excellence
- *Need Legal Help?* (bus ad) — Award of Excellence

The following received Communicator Awards:

- *LSS Service Plan 2006/2007 – 2008/2009* — Award of Excellence
- *Social Assistance on Reserve in British Columbia* — Award of Distinction
- *Using LSS Online Resources Workshop* — Award of Distinction

Publications

LSS staff produce legal information and self-help materials in plain language to help clients identify, avoid, or resolve common legal problems.

Some publications are produced in languages other than English when a need for translated versions is identified. The society offers publications in Chinese, Farsi/Dari, French, Japanese, Korean, Punjabi, Russian, Spanish, and Vietnamese. LSS publications are posted on the society's websites at www.lss.bc.ca and www.familylaw.lss.bc.ca.

Website services

An important focus for the society is to use new technologies to make legal information available to the public. LSS manages four websites and supports PovNet (www.povnet.org).

In 2005/2006, LSS designed and maintained the Supreme Court Self-Help Information Centre website as part of its contribution to the collaborative pilot project (see Glossary, page 68). (www.supremecourtselfhelp.bc.ca)

Electronic Law Library

The Electronic Law Library (ELL) provides reliable legal resources for advocates and advanced researchers looking for detailed legal information. This includes links to case law databases, searchable full-text legislative databases, policy manuals, guides to the legal system, and information on how to do legal research. The ELL is also a key resource for LSS staff, community advocacy groups, and libraries throughout the province. (www.bcpl.gov.bc.ca/ell)

Family Law in British Columbia

The Family Law in British Columbia website is dedicated to helping people understand and use the law to resolve their family law problems. It is also a resource for people who are trying to help friends or clients. The site contains publications and videos on family law matters, self-help kits, a section on resolving family law problems, and links to other helpful organizations. (www.familylaw.lss.bc.ca)

LawLINK

LawLINK is a website designed to help people with low incomes and their advocates find current, relevant, and usable self-help legal information on the Internet. Public access computers featuring the website and direct telephone access to LawLINE are available during regular office hours at all LSS regional centres and in a number of courthouse locations across BC. (www.lawlink.bc.ca)

LSS website

The LSS website features publications on various aspects of the law and provides information about the society and legal aid services, including the financial eligibility guidelines for representation and advice services and how to apply for a legal aid lawyer. It also offers services and support for lawyers. (www.lss.bc.ca)

Legal information outreach workers

Legal information outreach workers (LIOWs), based in the society's seven regional centres, refer people with low incomes to appropriate resources and help them find information, fill out court forms, and use LawLINK public access computers. They also give talks and workshops at social service, Aboriginal, women's, immigration, and other community agencies in locations served by regional centres to explain how to access various LSS services.

Appendix 4:
Tariff Rates

Lawyers who represent legal aid clients are paid according to a schedule of fees and disbursements published in the *Guide to Legal Aid Tariffs*. These are established by LSS subject to consultation with private bar lawyers.

Most items in the LSS tariffs are based on a three-tiered compensation system that uses experience and the type of service to determine the rate (see table 12).[1] Experience is based on year of call. The tiered system does not apply to disbursements, duty and circuit counsel, enhanced fees in exceptional criminal cases, and criminal category I and II offences, which are paid at the rates published in the *Guide to Legal Aid Tariffs*.

Table 12 Tiered tariff rates

Tier	Years of call	Compensation rate
1	Less than 4 years	Published tariff rate ($80/hr)
2	4 or more years and less than 10 years	Tier 1 rate plus 5% ($84/hr)
3	10 or more years	Tier 1 rate plus 10% ($88/hr)

[1] For more details on tiered rates, see the Legal aid rates fact sheet listed under General information on the Fact sheets page of the LSS website at www.lss.bc.ca/Newsroom/Fact_sheets.htm

The criminal tariff is generally paid at block fee rates, which are based largely on court appearances and meant to include all services that are not billable separately, including case preparation. Block fees represent the average amount of time required for a proceeding. The other tariffs are paid at hourly rates up to a specific maximum.

The society's Strategic Case Assessment Program helps LSS develop budgets and predict costs and preparation needs for lengthy cases. It applies to serious (category III or IV) offences for which the anticipated length of the preliminary hearing or trial exceeds ten half-days of court time. Advance budget decisions are made co-operatively by LSS case review lawyers and trial counsel.

Private bar lawyers with expertise in various areas of law advise and assist staff in assessing requests for extra fees and extraordinary disbursements. Most disbursement items requiring pre-approval are handled by LSS staff.

Large and unpredictable (usually criminal) cases have a significant impact on the society's budget. One way LSS manages these costs is by reserving the right to terminate a referral at any time once either the legal fees or the disbursements paid or billable for a case reach $50,000, and the society concludes that further expenditures are unjustified.

Details of all tariffs are provided in the *Guide to Legal Aid Tariffs* on the LSS website.

Exceptional matters

Under the Memorandum of Understanding (MOU) between LSS and the Attorney General, the society maintains a budget item to cover the costs of exceptional cases. These are legal proceedings that fall within the society's mandate where:

- representation is required to meet section 7 or 11 of the Charter of Rights and Freedoms and the client is not financially eligible for legal aid but cannot afford a lawyer;
- the degree of complexity involved, a court order, or an agreement by the government requires the payment of fees and/or disbursements that exceed the standard limits set by LSS policies (i.e., enhanced fee cases);
- the total fees, disbursements, or both exceed $50,000; or
- there is an unusually large number of similar cases that together will result in higher than normal costs.

To help ensure that spending on exceptional cases does not affect the budgets for other LSS services, the current MOU allows the society to treat any unspent funds in that budget item as deferred revenue to cover exceptional matters in future years.

Enhanced fee cases

Cases deemed to be more complex than most category IV trials may qualify for enhanced fees of $125 per hour for senior counsel.

To be eligible for these fees, a lawyer must have a minimum of 12 years' experience in criminal law practice (i.e., at least 50% of the lawyer's practice is in criminal law). In addition, the lawyer must have acted as lead counsel on a substantial number of complex category IV trials.

Enhanced fee requests are reviewed by a panel of three senior private bar lawyers.

Holdbacks

As part of tariff renewal (see page 22), LSS eliminated holdbacks for all tariff billings received on or after June 25, 2005. Holdbacks, introduced in 1994 to provide more fiscal stability for the society, were amounts deducted from accounts at the time of payment. At the end of each fiscal year, the board determined whether funds were available in the tariff budgets to pay any portion of these amounts.

Appendix 5:
Financial Eligibility

Anyone whose net household income and assets fall below set limits is eligible for legal representation if their legal problem is covered by LSS. Some income sources, such as the Canada Child Tax Benefit, are excluded from total net income, while some expenses, such as daycare costs, are deducted.

Applicants whose income is below the guidelines may own some assets and still be eligible for legal aid. There are five asset categories: family home, real property (any kind of real estate except the family home), vehicles, business assets, and personal property (excluding vehicles but including, for example, savings accounts, RRSPs, furniture, and jewellery). Each category has different limits, but applicants may still qualify for legal aid if they have some personal property (e.g., reasonable household furnishings), a small amount of liquid assets (e.g., cash, bank accounts), and equity of $5,000 or less in vehicles.

As a condition of receiving a legal aid referral, clients must agree to repay some or all of their legal aid costs if their financial situation improves and, on reassessment of their eligibility, the society asks them to do so. Clients with a significant share of equity in their family home may be reassessed at a later date and required to pay for some or all of their case costs.

Applicants whose income and assets are above the financial eligibility limits can still receive legal information.

Legal representation financial eligibility guidelines

Table 13 sets out the legal representation income and personal property asset guidelines (effective October 12, 2005).

Table 13 Financial eligibility guidelines

Household size	Monthly net household income	Personal property exemption *(all cases)*
1	$ 1,349	$ 2,000
2	$ 1,888	$ 4,000
3	$ 2,427	$ 4,500
4	$ 2,967	$ 5,000
5	$ 3,506	$ 5,500
6	$ 4,046	$ 6,000
7 or more	$ 4,585	$ 6,000

Note: These guidelines are for all family, criminal, and immigration cases, including appeals. Family cases include child apprehension matters.

Financial eligibility reassessments

Financial eligibility may be reassessed to determine whether a client is still financially eligible for legal representation. If the client is no longer eligible, the referral is terminated and the individual must pay for a lawyer privately. Such reassessments normally occur:

- if the client's financial circumstances have changed during the course of a referral;
- if LSS becomes aware of assets, income, or family relationships that the client did not reveal during intake;
- when a new case is opened;
- when a change of lawyer is processed;
- as a result of a complaint about the client's financial eligibility; or
- on a random basis for auditing purposes.

A client's financial eligibility is always reassessed if he or she receives assets or money. In such cases, LSS calculates the total amount received and determines whether to convert the legal aid referral to a private fee retainer or collect a payment from the client. There is an exemption of $10,000 in assets or money received to cover basic needs, including housing. The maximum a client could be asked to pay toward legal expenses is 50% of the amount received after deducting this exemption.

Legal advice financial eligibility test

LSS uses a separate financial eligibility test for brief legal advice services through LawLINE for most family duty counsel and family advice lawyer services. Table 14 sets out this test (effective October 26, 2005).

Table 14 Legal advice financial eligibility test

Number of family members[1]	Annual/monthly net household income[2]
4 or fewer	$ 36,000 / $ 3,000
5	$ 42,000 / $ 3,500
6	$ 49,000 / $ 4,085
7 or more	$ 55,000 / $ 4,585

[1] Family members include children and parent(s) or other adult(s) responsible for and living with the children.

[2] Income is the person's net income from all sources but does not include that of a new spouse or child support payments.

To be eligible, a client's net income must fall within the limits set out in table 14. Clients who are not financially eligible can still receive:

- legal information and referral services from LawLINE,
- 20 to 45 minutes of general assistance from family duty counsel (depending on the lawyer's availability), and
- an initial 45-minute appointment with a family advice lawyer (if referred by a family justice counsellor).

Appendix 6:

Operating Data

The tables in this section provide a detailed breakdown of the numbers of clients that use LSS services. Data is provided on applications and referrals for legal representation, LSS advice and information services, and policy compliance processes.

Additional data on applications and referrals by area of law for 2005/2006 is available by contacting LSS (see page 71).

Legal representation

Table 15 summarizes applications and referrals for legal representation by area of law for the past three years. For information on the reliability of this data, see page 64.

Table 15 Demand for legal representation: All areas of law

	2005/2006		2004/2005[1]		2003/2004[1]	
Type of legal problem	Applications	Referrals	Applications	Referrals	Applications	Referrals
Criminal	28,381	22,048	27,823	21,404	28,821	21,828
Family[2]	8,807	4,564	8,267	4,174	8,754	4,410
CFCSA[3]	2,962	2,561	2,665	2,308	2,540	2,205
Immigration	1,034	837	994	740	2,061	1,756[4]
Total	**41,184**	**30,010**	**39,749**	**28,626**	**42,176**	**30,199**

[1] Data as recorded in previous annual reports.

[2] In 2005/2006, 452 referrals were approved on exception review (see page 52), compared to 522 in 2004/2005 and 722 in 2003/2004.

[3] Child, Family and Community Service Act (see Appendix 2, page 49).

[4] Immigration data for 2003/2004 includes 223 cases that received only duty counsel services at detention hearings and thus are not considered a referral for representation.

Table 16 Changes in referral volumes by area of law

Type of legal problem	2005/2006	2004/2005
Criminal	3.0%	-1.9%
Family	9.3%	-5.4%
CFCSA	11.0%	4.7%
Immigration	13.1%	-57.9%

Volume changes

The percentage of applications resulting in referrals rose marginally in all areas of law this year over 2004/2005 (see tables 15 and 16). A significant portion of these additional referrals can be attributed to the higher financial eligibility limits for all areas of law implemented in February 2005 (resulting in 1,025 new referrals in 2005/2006) and October 2005 (resulting in 192 further referrals).

Other factors also contributed to the volume increases. Limited scope family referrals, introduced in May 2005 (see Appendix 2), led to 237 new referrals in this area of law in 2005/2006. A significant portion of the growth in CFCSA volumes corresponds to an increase in child apprehensions by the Ministry of Children and Family Development. About half of the increase in immigration referrals is consistent with expected fluctuations in immigration volumes each year.

However, increases in the volume of criminal and family tariff referrals were lower than anticipated in 2005/2006, in part because the effect on volumes of tariff and service changes introduced later in the year (and not completely operational before year-end) have yet to be fully realized. Lower than expected volumes also contributed to this year's surplus (see Financial Report).

The overall percentage of applications resulting in referrals has remained steady over the past few years (72.9% in 2005/2006 compared to 72% in 2004/2005 and 71.6% in 2003/2004), as has the percentage of referrals by area of law (see figures 3 and 4).

Figure 3 Referrals by area of law, 2005/2006

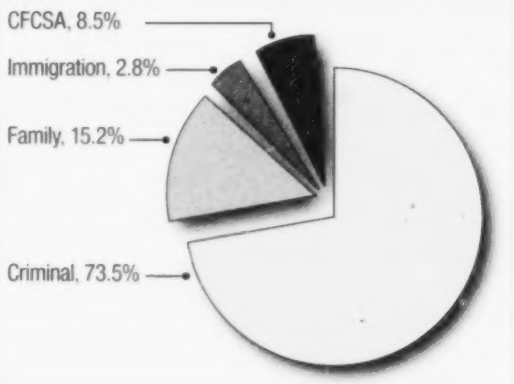
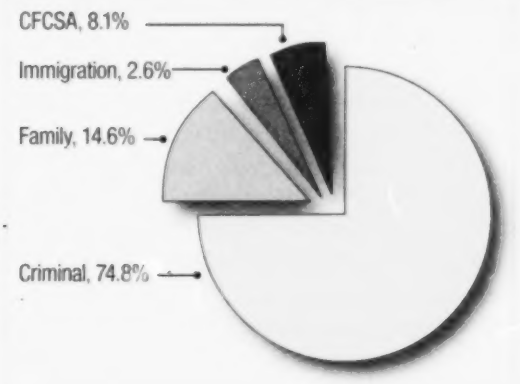


Figure 4 Referrals by area of law, 2004/2005



Legal advice

Table 17 provides data for LSS legal advice services for the past three years. For information on the reliability of this data, see page 65.

Table 17 Legal advice services

	Number of issues addressed[1]		
Service	2005/2006	2004/2005	2003/2004
Criminal duty counsel[2]	75,720	69,267	60,865
Immigration duty counsel[3]	989	1,011	–
Family duty counsel and advice lawyers	18,789[4]	14,272	10,415[5]
Brydges line	30,733	25,848[6]	27,016
LawLINE advice	10,173	7,129	2,961[7]

[1] Totals reflect the number of times advice was given (or the number of calls handled), not the number of clients served (clients may access services more than once).

[2] Includes duty counsel at circuit courts.

[3] Prior to 2004/2005, LSS tracked only a portion of immigration duty counsel services and that data was incorporated into table 15.

[4] Over the course of 2005/2006, LSS introduced family duty counsel in 13 Supreme Court locations, which account for 3,508 of clients assisted this year.

[5] In 2003/2004, family duty counsel services were established in new Provincial Court locations throughout the year; therefore, data for that year reflects less than 12 months for a number of projects.

[6] Data for Brydges services provided in June 2004 is unavailable; therefore, the 2004/2005 total represents 11 months of service.

[7] LawLINE advice services were introduced in September 2003; therefore, the 2003/2004 total reflects only 6 months of service.

Legal information

Tables 18 and 19 provide data on the public's use of the society's legal information resources. For information on the reliability of this data, see page 65.

Data in these tables reflect a focus in 2005/2006 on enhancing our online resources and community outreach. Production of multilingual materials explaining LSS services — publications not counted in these tables — is another resource-heavy task undertaken this year. As a result, the society's publishing team had less capacity to develop PLEI materials in 2005/2006, and the number of new and revised publications produced continued to fall. However, the number of publications distributed increased this year over 2004/2005, indicating a continued demand for printed materials from our clients and community partners.

Table 18 Legal information services

	2005/2006	2004/2005	2003/2004
LawLINE information/referral requests[1]	6,421	7,532	15,374[2]
PLEI publications distributed	143,905	131,003[3]	196,381
PLEI materials produced (new and revised)[4]	21	37	54
LIOW information[5]	5,027	2,522	688

[1] Data indicates the number of calls handled, not the number of individuals served (people may access the service more than once). Data on LawLINE advice services are reported in table 17.

[2] Prior to September 15, 2003, LawLINE provided only legal information and referral services. In 2003/2004, staff responded to 8,516 callers requiring information from April 1 – September 15, 2003, and 6,858 callers requiring information after September 15.

[3] 2004/2005 data includes 6,762 copies of the Tenants' Rights Action Coalition publication, *Tenant Survival Guide*.

[4] Data excludes administrative materials such as reports, evaluations, and brochures describing LSS services.

[5] Totals reflect the estimated number of client questions handled by LIOWs. This service began in November 2003; therefore, data for 2003/2004 represents five months of service.

Table 19 Use of LSS websites

Site	2005/2006	2004/2005	2003/2004
LSS website	13,488[1] visits/month	12,049 visits/month	8,611 visits/month
Electronic Law Library (ELL)	24,483 page requests/month	19,522 page requests/month	17,520 page requests/month
Family Law website	9,241 visits/month	5,469 visits/month	3,374 visits/month
LawLINK	7,321 visits/month	4,666 visits/month	3,091 visits/month[2]

Note: "Visits" are the number of times the site is accessed over a given period (if the same person returns to the site after one hour, that person is counted as a new visitor). Data for the LSS, Family Law, and LawLINK websites reflects the average number of visits per month for each year. "Page requests" are the number of hits on specific pages on the site (i.e., the number of times pages are viewed, downloaded, printed, etc.). Data for the ELL reflects the average number of page requests per month for each year.

[1] LSS website data for 2005/2006 does not include an average of 3,246 visits each month to the site for e-billing, which is now tracked separately. E-billing visits are included in data for 2004/2005 and 2003/2004.

[2] 2003/2004 LawLINK data is based on activity in February and March 2004.

Policy compliance

Staff at regional centres, local agent offices, and the LSS Call Centre refuse to provide legal representation if they believe an applicant:

- is not financially eligible,
- has a problem that falls outside the society's coverage rules, or
- has provided insufficient information to satisfy them that he or she is eligible for a referral.

Staff ensure LSS coverage and financial eligibility policies are applied accurately and consistently across the province by:

- reviewing refusals for legal representation whenever applicants request (reviews take place within 21 days of receiving the decision), and
- investigating all complaints received by anyone who alleges someone is improperly receiving legal representation.

Tables 20 and 21 show the volumes and results of financial eligibility reviews and complaints investigations for the past three years. For information on the reliability of this data, see page 65. LSS received client eligibility complaints for fewer than 1% of cases in 2005/2006.

Table 20 Financial eligibility reviews

Reviews	2005/2006	2004/2005	2003/2004
Abandoned[1]	2	8	10
Approved[2]	27	32	50
Refused	130	106	163
Files open at year-end	4	0	2
Total	163	146	225

[1] Abandoned means the matter was returned to the referring office to consider additional information or issues, or the applicant resolved the matter by other means.

[2] Approvals are often based on additional information provided by the applicants that was unavailable when they first applied for legal aid.

Table 21 Complaints about clients' eligibility

Result of investigation	2005/2006	2004/2005	2003/2004
Complaint unfounded/coverage continued	83	64	68
Coverage terminated/case converted to private fee retainer or collection file opened	43	58	70
Referral cancelled after client failed to respond to a request for reassessment	4	6	13
Complaint about a non-LSS client	29	24	14
Complaint received after case concluded or substantially completed	14	30	21
No further investigation required (e.g., complaint duplicates information already reported and investigated)	10	17	22
Open, investigation continuing	36	21	13
Total[1]	219	220	221

[1] Number of individuals complained about excludes files still open at the end of the previous fiscal year.

Reliability of data

The following describes the sources and accuracy of LSS operating data.

Legal representation (tables 15 and 16)

When annual report numbers are generated for any fiscal year, a few paper applications may remain to be processed or a few applications initiated in error may yet be uncorrected. As a result, the final numbers for a given year may differ slightly from those in the annual report. The 2005/2006 application data in table 15 is expected to be accurate to within 99.9% or better.

Before a referral can be issued, the client's income must be verified and his or her legal situation assessed, and a lawyer has to be found to take the case. Although more than 90% of first referrals are approved and issued within 30 days of an application, some take longer to process. Accordingly, when the annual report data is generated, decisions are pending on some applications. For example, the final total for 2004/2005 referrals was 0.61% higher than the total in the *LSS Annual Service Plan Report 2004/2005*. The accuracy of the 2005/2006 referral data in table 15 is expected to be similar to that published last year.

Legal advice (table 17)

Criminal law duty counsel data in table 17 is compiled from reports submitted by lawyers providing this service. Duty counsel can submit their bills and information on the number of clients assisted up to six months or more after the service date. Accordingly, not all information is available when data for the annual report is generated. For example, after a total of 84,550 duty counsel clients assisted was published in the *LSS Annual Service Plan Report 2004/2005*, duty counsel billed for another 2,472 clients applicable to that fiscal year.

Criminal and family duty counsel services are delivered by a combination of staff, contract, and private bar lawyers; however, with the exception of the Vancouver FDC location, table 17 excludes most of the clients helped by staff and contract lawyers, primarily because that data is not available by year-end.

Brydges line data in table 17 is provided by the contracted service provider.

Telephone calls received by LawLINE reported in table 17 are counted by computer; data on which of these calls involve advice services is drawn from a database maintained by LSS staff.

Legal information (tables 18 and 19)

Telephone calls received by LawLINE reported in table 18 are counted by computer; data on which of these calls involve information services is drawn from a database maintained by LSS staff.

The publications data in table 18 is drawn from a database maintained by LSS staff.

Legal information outreach worker data in table 18 is based on information compiled manually by LIOWs; data from some locations is incomplete.

The website data in table 19 presents an approximate measure of public use of the society's websites. BC Public Library Services Branch hosts ELL on its server, and statistics are tabulated automatically by that computer. The LSS websites are on the society's own server. Since January 2003, statistics for the LSS, Family Law, and LawLINK sites have been captured and analyzed by computer. Data for the LSS website shows activity by all internal (staff) as well as external users. However, data for 2005/2006 does not include users accessing the site for electronic billing, which is now tracked separately.

Policy compliance (tables 20 and 21)

Reviews of refusals based on financial eligibility are conducted at the Vancouver Regional Centre. Data in table 20 is drawn from an LSS database maintained by staff.

Complaints data in table 21 is drawn from an LSS database maintained by staff.

Coverage eligibility reviews were centralized in the Vancouver Regional Centre during this year. Data will be available for reporting in 2006/2007.

Appendix 7:

Former Performance Measures

Figure 5 Goal, objectives, strategies, and measures from 2005/2006 – 2007/2008 service plan

Goal Services that respond to the legal needs of low-income individuals are available in BC

	Objectives	Strategies	Measures
1	Build and sustain the necessary capacity in LSS staff, systems and processes, professionals, and service providers to provide required services	▪ Use technology to streamline processes and to build and share knowledge ▪ Provide tools, training, and support to enable staff and service providers to succeed ▪ Evaluate and improve functions and programs ▪ Use alternate service delivery models and third-party providers/ professionals to maximize capacity ▪ Provide clear direction and leadership ▪ Maintain efficient corporate management functions	**1a** Overall rating by LSS tariff lawyers of their satisfaction with the support provided by LSS **1b** Overall LSS employee satisfaction
2	Build the financial capacity to maintain proven initiatives and sustain core services	▪ Seek revenue-generating opportunities to use existing capacity ▪ Negotiate access to accumulated surplus funds ▪ Seek innovative funding arrangements with other justice partners	**2** Proven initiatives currently funded by short-term funding and budget required for each
3	Improve the responsiveness of LSS services to the legal needs of low-income individuals	▪ Provide representation in criminal, family, child protection, immigration, mental health, prison, and Aboriginal law ▪ Provide advice and information for all areas of law ▪ Examine partnerships and a variety of delivery mechanisms to maximize the accessibility of services for the available dollars ▪ Assess client needs to ensure services are appropriate ▪ Adjust financial eligibility requirements so that more low-income individuals qualify for legal aid services	**3a** Overall rating of client satisfaction with LSS services **3b** Overall rating by intermediaries of how well LSS responds to the legal needs of low-income individuals in BC

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Figure 5 Goal, objectives, strategies, and measures from 2005/2006 – 2007/2008 service plan

Goal Services that respond to the legal needs of low-income individuals are available in BC

	Objectives	Strategies		Measures
4	Increase awareness of LSS services among intermediaries so that more low-income individuals are referred to appropriate LSS services	▪ Use appropriate media to bring services to the attention of clients and intermediaries ▪ Collaborate with communities and intermediaries to increase awareness, credibility, and referrals for LSS services	4	Overall rating by intermediaries of their level of awareness of LSS services
5	Apply LSS influence to ensure the legal needs of low-income individuals are considered in justice system reform	▪ Advise key stakeholders on the effects of justice system change on low-income individuals ▪ Participate in justice reform initiatives ▪ Work collaboratively with justice system partners such as the federal government, courts, and private bar to address issues of mutual concern	5	Resources utilized by LSS in providing the Ministry of Attorney General advice regarding legal aid

Glossary

Act The Legal Services Society Act (the act; also LSS Act), provincial legislation under which LSS operates

Accumulated surplus The excess of revenue over expenses that accumulates over the life of the organization; the LSS accumulated surplus reflects assets (e.g., buildings, equipment, cash, investments) minus liabilities (e.g., accounts payable)

Alternative dispute resolution (ADR) funding initiative A collaborative initiative between the Ministry of Children and Family Development, Ministry of Attorney General, and LSS to evaluate and fund local alternative dispute resolution projects in child protection proceedings. Projects are designed to help government services and lawyers move toward out-of-court resolutions, and it is expected that once the infrastructure to support mediation is in place, these projects will run independently. Funding for this initiative was provided in March 2003 through a $600,000 MCFD grant that LSS matched. LSS will continue in its coordinating role until March 2007

Case Management System A computer system (designed for and owned by LSS) that supports the society's intake, referral, tariff processing, and other business functions

Civil Justice Reform Working Group A subcommittee of the Justice Review Task Force formed in fall 2004, this working group is looking at how to improve resolving civil disputes; it is scheduled to report its findings in June 2006

Client An individual who is receiving or who has received legal aid

Electronic disclosure The provision by Crown counsel (usually in large prosecutions) of relevant information electronically (through CD ROM or portable computer hard drive) to the defence so that an accused can make full answer and defence. Historically, Crown counsel gave defence counsel printed copies of the information. As counsel often find it difficult to work from electronic disclosure versions, they have applied to LSS to pay for the cost of producing printed copies

Family Justice Reform Working Group A subcommittee of the Justice Review Task Force formed in 2003, this working group explored a variety of options for improving services to parents and children; its mandate was to make fundamental changes to the family justice system. The working group's final report, *A New Justice System for Families and Children*, was released in May 2005 and is available online at www.bcjusticereview.org/working_groups/family_justice/final_05_05.pdf

Family list days First-time court appearances for Child, Family and Community Service Act and Family Relations Act matters, such as child support and child protection; family list days are usually held one or two days each week in larger centres and once a month in smaller communities

Federal Investment Fund A fund established to cover innovations related to criminal law services implemented from April 1, 2002, through March 31, 2005. Also known as the Legal Aid Renewal Fund, it is part of the Agreement Respecting Legal Aid in Criminal Law, Youth Criminal Justice Act, and Immigration and Refugee Matters between the Government of Canada and the Province of British Columbia. In late 2005/2006, the fund was extended to March 31, 2007

Fiscal year (LSS) A period beginning on April 1 in one year and ending on March 31 in the next year

Goals Statements that identify the key results an organization expects to achieve in a three- to five-year period; goals are closely related to objectives, which cover a shorter term

Intermediaries Judges, police, lawyers, court workers, local agents, staff at women's shelters, community advocates, and others in the justice system who interact with legal aid clients

Justice Review Task Force Established in March 2002 at the initiative of the Law Society of BC, the task force's objective is to identify potential reform initiatives to help make the justice system more responsive, accessible, and cost-effective; see www.bcjusticereview.org for more information

Key stakeholders (LSS) Those with a direct interest in BC's legal aid plan, including people with low incomes who need legal services, service providers and intermediaries, the public, government and other funders, and LSS staff

Key strategies The main courses of action, broadly stated, that an organization will undertake to accomplish its objectives; key strategies can change in response to environmental scans and risk analyses

Legal aid Legal representation, advice, information, and other services provided under the LSS Act

Mega Trials Working Group A subcommittee of the Justice Review Task Force; the mandate of this working group, formed in April 2004, is to make recommendations for managing the administration and costs of large criminal cases in BC

Objectives Statements that identify the main results an organization expects to achieve within a one- to three-year period

Operating surplus The excess of revenue over expenses in a fiscal year

Performance measures Methods an organization uses to determine whether it is achieving the results set out in its goals and objectives; performance measures vary from one organization to another and range from satisfaction surveys to comparative data

Public Legal Education and Information Working Group Established to co-ordinate the delivery of PLEI services in BC in response to recommendations in the Review of the Role of Public Legal Education in the Delivery of Justice Services (2002) (see www.ag.gov.bc.ca/public/PLE-Review.pdf), a report commissioned by the Ministry of Attorney General; the working group consists of organizations with a mandate to provide province-wide PLEI services (for the group's community profile and needs assessment reports, see www.lss.bc.ca/About_LSS/Reports.htm#ER)

PovNet A searchable website (www.povnet.org) for people on welfare, advocates, community groups, and individuals involved in anti-poverty work; it provides information on and links to resources for a variety of issues affecting the rights of people with low incomes, and hosts a number of electronic discussion groups for advocates

Private bar Lawyers in private practice

Private fee retainer An agreement between a private bar lawyer and an individual who is not receiving legal aid regarding services to be provided and the rate of compensation to be paid

Rowbotham application An application made by someone who has been denied legal representation funded by LSS; in a Rowbotham application, the person asks the court for a stay of proceedings until he or she has been provided a government-funded lawyer

Strategic issues Major factors that will affect, or are affecting, an organization; strategic issues emerge from an environmental scan and may be either positive or negative

Strategic objectives Objectives drafted specifically to address strategic issues, either by mitigating external threats and internal weaknesses or by taking advantage of external opportunities and internal strengths

Strategic plan A plan that encompasses an organization's mission, vision, objectives, goals, and values; it sets out the direction for the organization and outlines how it will achieve its vision and mission

Supreme Court Self-Help Information Centre A pilot project to provide legal information, education, and referral services to unrepresented litigants who are involved in civil actions in the Vancouver location of the Supreme Court; the centre opened in April 2005

Tariffs The schedule of fees and disbursements LSS pays to lawyers who take legal aid referrals, as published in the *Guide to Legal Aid Tariffs*

Total current assets Cash in hand plus cash owed to LSS

Total current liabilities Money owed to creditors and payable over the coming fiscal year

Unbundled legal services Designed to help people who are representing themselves in legal proceedings, unbundled legal services allow lawyers to provide limited assistance to clients who cannot afford to pay for full legal representation. The mandate for the Law Society's Unbundling Legal Services Task Force, established in 2005, includes clarifying the scope of unbundled services, how this approach might increase access to justice in BC, and identifying best practices for lawyers offering these services; for more information, see www.lawsociety.bc.ca/about/TF-Unbundling.html

Year Refers to fiscal year

Legal Aid Offices

Clients apply for legal aid services by calling the toll-free LSS InfoLINE (1-877-978-9789) or checking the phone book for current office addresses and phone numbers. Offices are listed under "Legal Aid — Legal Services Society" in the white pages of the phone book and under "Lawyers" in the yellow pages. Clients can also contact the LSS Call Centre (to apply for legal representation) and LawLINE (for legal advice or information): (604) 408-2172 (Lower Mainland) or 1-866-577-2525 (toll free).

Interior/East Kootenays

Regional Centre:
Kamloops (Kathleen Kendall, Managing Lawyer)

Local Agents:
Cranbrook (Richard Strahl)
Salmon Arm (Brian Burgess)
Williams Lake (Alfred Kaiser)

North

Regional Centre:
Prince George (Debby O'Leary, Managing Lawyer)

Local Agents:
Dawson Creek (Glenn Stasiuk)
Fort St. James (Paul Swartz)
Fort St. John (Robert Zeunert)
Quesnel (Gary Lilienweiss)

Northwest

Regional Centre:
Terrace (Judith Kenacan, Managing Lawyer)

Regional Centre satellite:
Prince Rupert

Local Agent:
Hazelton (Linda Locke)

Okanagan/West Kootenays

Regional Centre:
Kelowna (Dennis Morgan, Managing Lawyer)

Local Agents:
Nelson (Richard Strahl)
Penticton (Andrew Vandersluys, from March 1, 2006; James Pennington, to February 28, 2005)
Vernon (Brian Burgess)

Surrey/Fraser Valley

Regional Centre:
Surrey (Bill Andrew, Managing Lawyer)

Regional Centre satellite:
Port Coquitlam

Local Agents:
Abbotsford (Chris Maddock)
Chilliwack (Chris Maddock)

Vancouver Island

Regional Centre:
Victoria (Forrest Nelson, Managing Lawyer)

Local Agents:
Campbell River (Doug Marion)
Courtenay (Doug Marion)
Duncan (Denice Barrie)
Nanaimo (Denice Barrie)
Port Alberni (Barbara Smith)

Vancouver/Sunshine Coast

Regional Centre:
Vancouver (John Simpson, Manager, Applications and Eligibility; Steven Wright, Managing Lawyer, Vancouver Family Clinic)

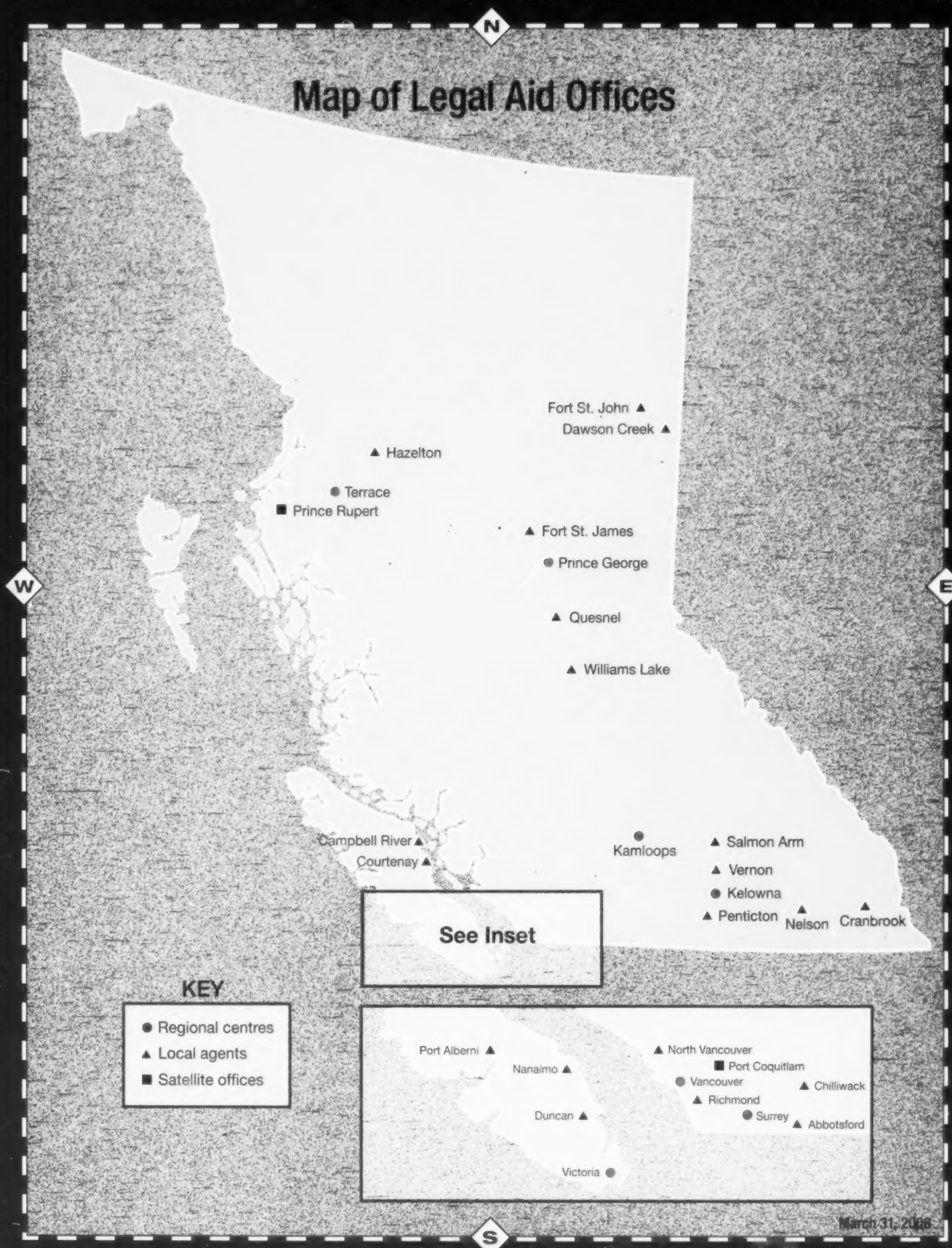
Local Agents:
North Vancouver (Dan Sudeyko)
Richmond (Robert Parsonage)

Contact Information

For further information about the society, visit the main LSS website at www.lss.bc.ca or contact the LSS Communications Department at:

400 – 510 Burrard Street
Vancouver, British Columbia V6C 3A8
Phone: (604) 601-6000

Map of Legal Aid Offices



March 31, 2008